

Results for First Quarter of Fiscal Year ending March 31, 2024 【Reference Material】

August 4, 2023

NAC CO., LTD

Tokyo Stock Exchange

PRIME 9788

The Financial Results Meeting for First Quarter was not held.

This material was prepared in order to help readers to understand better the financial result of FY2023 First Quarter.

— Topics —

01	First Quarter Results	... P. 2
02	Business Segment Results	... P. 12
03	Results Forecast	... P. 32
04	Dividends	... P. 36
05	Mid-term Management Plan	... P. 38
06	Corporate Profile	... P. 45

NOTE :

All performance targets and other information contained in this document are forecasts based on information currently available to the Group, and are subject to uncertain factors such as economic environment, competitive conditions, and the success or failure of new services.

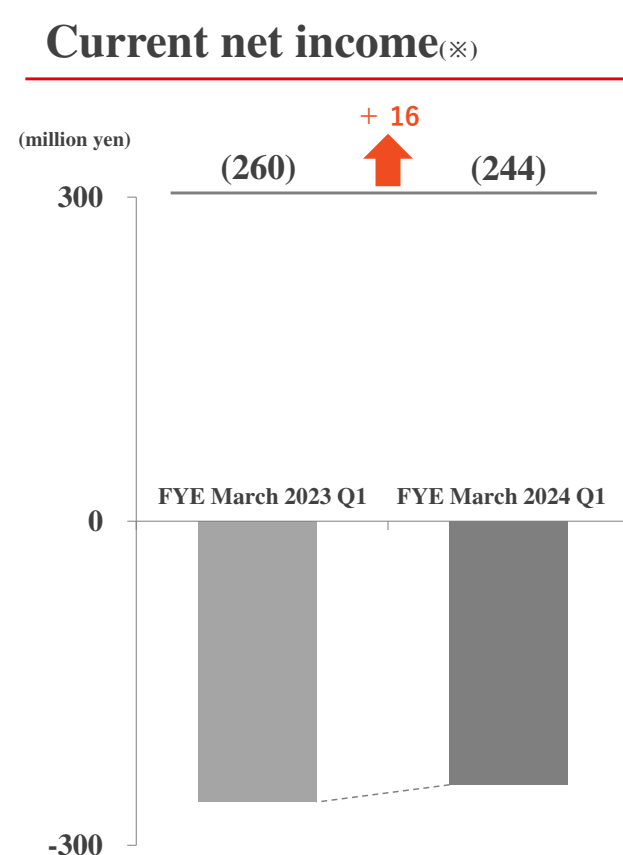
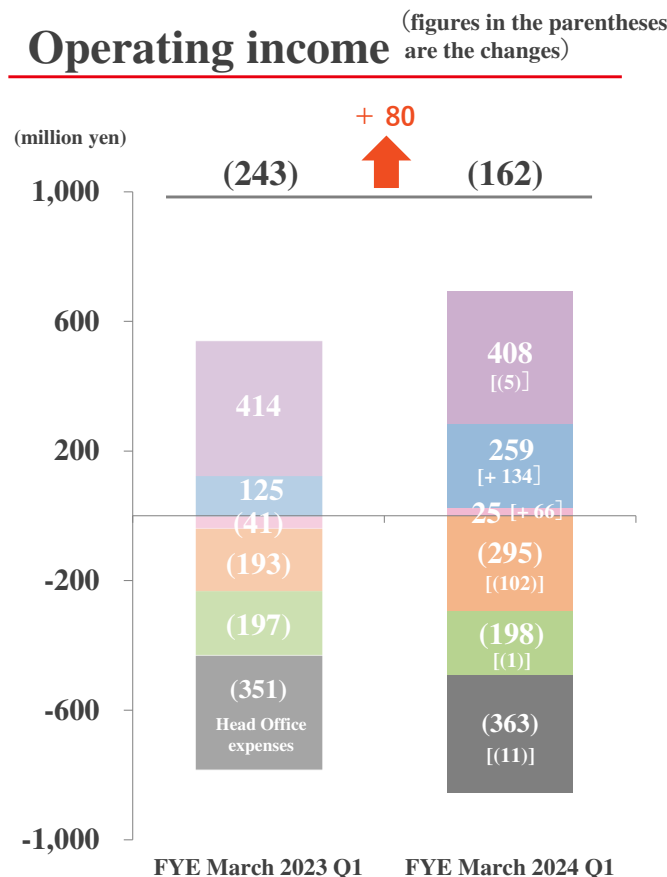
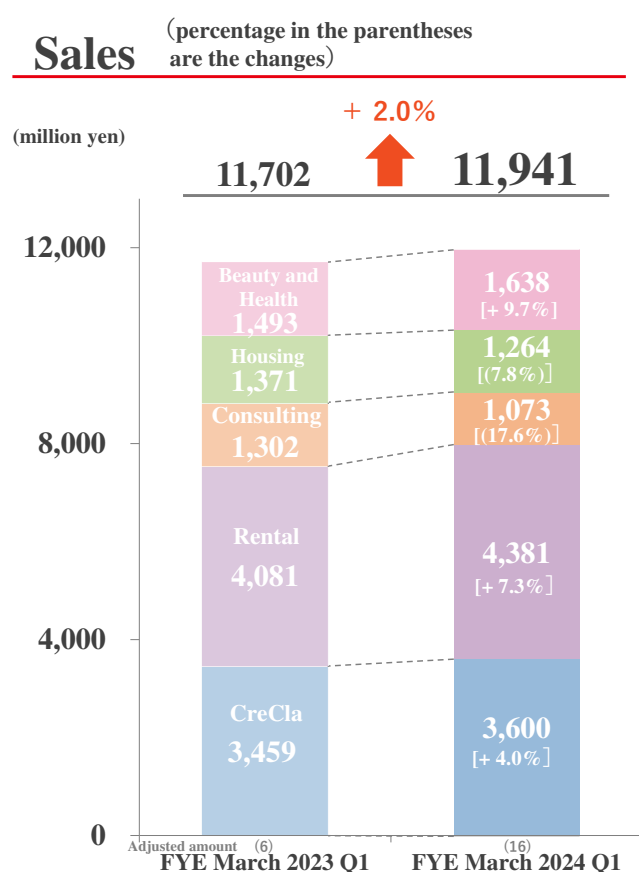
Therefore, please understand that the actual results may differ from the forecasts described in this material.

01 First Quarter Results

1-1. Consolidated Income Statement

1-1a Financial Highlights (Year-on-Year Comparison)

Sales	Rental	Sales went up with the increase of businesses in Care services division and HealthRent division of Duskin business
	Beauty and Health	Favorable sales of 「SINN PURETÉ」 brand of JIMOS Co., Ltd, and increase of orders from current and new customers of TOREMY Co., Ltd has contributed to sales increase
	Consulting	Sales decreased because sales were not recorded in the first quarter due to increase in sales ratio of subsidized products that takes time to complete the review
Operating income	CreCla	Sales improved with the increase of revenue due to price increase of CreCla bottles.
	Consulting	Operating loss increased due to sales decline incurred in Consulting division with high profit margin
Current net income		Operating loss has reduced year-on-year but it continued going into red



1-1b Sales and Operating Income Quarterly Trends

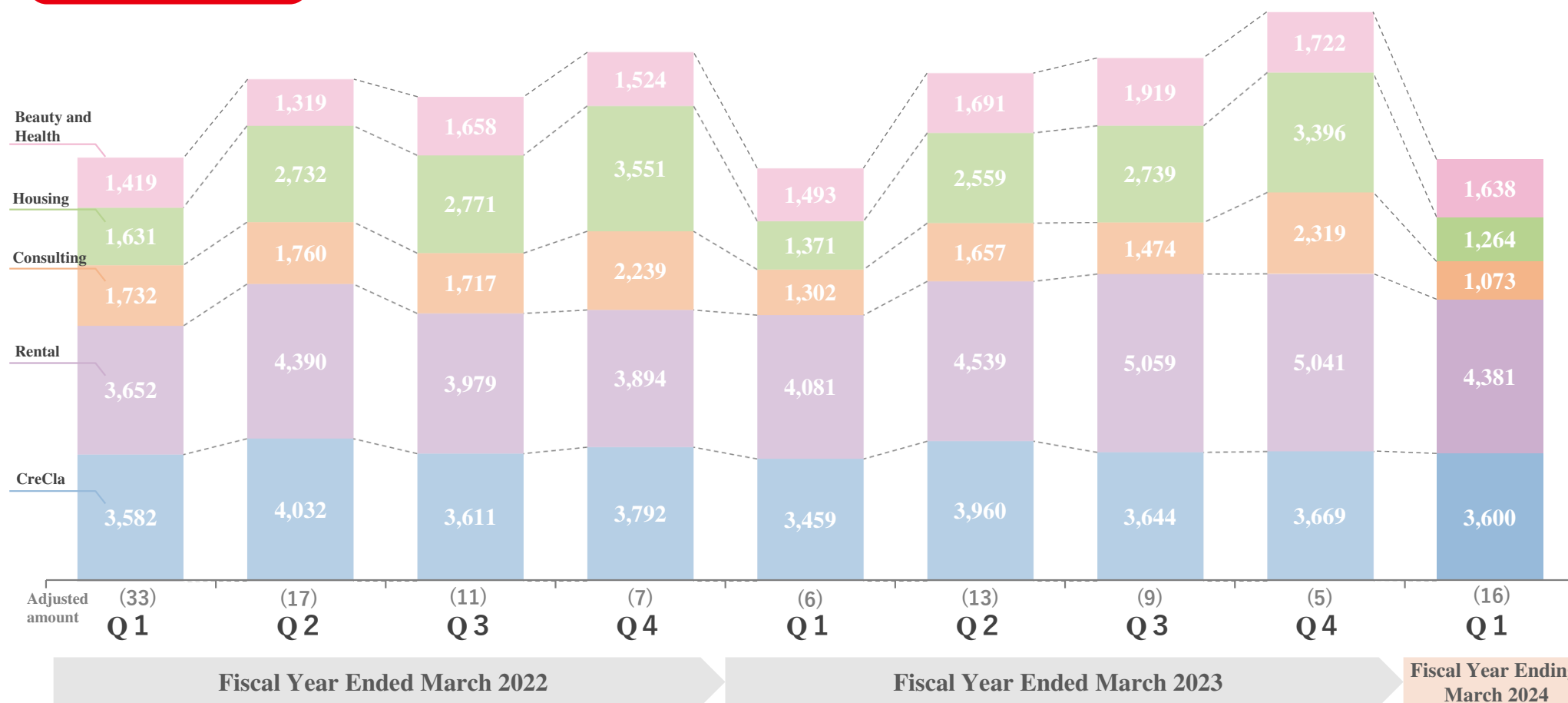


FYE March 2022				FYE March 2023				FYE March 2024
Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1
Sales								
11,984	14,218	13,727	14,993	11,702	14,394	14,827	16,149	11,941
Operating income								
185	848	856	871	(243)	795	975	1,705	(162)

Sales Quarterly Trend

※Sales in **Construction Consulting Business** and **Housing Sales Business** decreased in Q1 as a reaction in concentrating the sales to Q4.

(million yen)



1-1c Consolidated Income Statement



(million yen)

	FYE March 2024 Q1 Result	FYE March 2023 Q1 Result	YoY Comparison
Sales	11,941	11,702	+ 2.0%
Gross profit	6,146	6,077	+ 1.1%
[Gross margin]	51.4%	51.9%	(0.5)pt
SG&A	6,309	6,321	(0.2)%
Operating income	(162)	(243)	—
[Operating margin]	(1.4)%	(2.1)%	+ 0.7pt
Non-operating income and loss	5	12	—
Ordinary income	(157)	(230)	—
Extra-ordinary income	(3)	(0)	—
Net income attributable to owners of parent company	(244)	(260)	—

1-1d Sales by Segment



(million yen)

	FYE March 2024 Q1 Result	FYE March 2023 Q1 Result	YoY Comparison
CreCla Business	3,600	3,459	+ 141
Rental Business	4,381	4,081	+ 299
Construction Consulting Business	1,073	1,302	(229)
Housing Sales Business	1,264	1,371	(107)
Beauty and Health Business	1,638	1,493	+ 145
Elimination of intersegment	(16)	(6)	—
TOTAL	11,941	11,702	+ 239

1-1e Operating Income by Segment



(million yen)

	FYE March 2024 Q1 Result	FYE March 2023 Q1 Result	YoY Comparison
CreCla Business	259 [7.2%]	125 [3.6%]	+ 134 [+ 3.6pt]
Rental Business	408 [9.3%]	414 [10.2%]	(5) [(0.9pt)]
Construction Consulting Business	(295) [(27.5%)]	(193) [(14.8%)]	(102) [(12.7pt)]
Housing Sales Business	(198) [(15.7%)]	(197) [(14.4%)]	(1) [(1.3pt)]
Beauty and Health Business	25 [1.5%]	(41) [(2.7%)]	+ 66 [+ 4.2pt]
Corporate expenses, others	(363)	(351)	—
TOTAL	(162) [(1.3%)]	(243) [(2.1%)]	+ 80 [+ 0.8pt]

※percentage in parentheses are the operating income percentage of sales

1-1f Breakdown of Changes in Operating Income (Year-on-Year)



Gross Profit

CreCla

Increased with the improved sales as a result of price increase of CreCla bottle in October 2022

Beauty
and Health

Favorable sales of 「SINN PURETÉ」 brand of JIMOS Co., Ltd, and increase of orders from current and new customers of TOREMY Co., Ltd has contributed to sales increase

Advertising & Sales Promotion Expenses

Beauty
and Health

Decreased due to restriction on advertising and promotion costs for the entire Beauty and Health business

(million yen)		
		Year-on-Year change
FYE March 2023 Q 1	Operating income	(243) —
	Change in gross profit	+ 68 + 1.1%
	Personnel expenses	(29) (1.2)%
	Advertising and sales promotion expenses	+ 96 + 10.2%
Increase (Decrease) of SG&A expenses	Land rent cost	(6) (1.7)%
	Depreciation and amortization of goodwill	+ 9 + 4.3%
	Other SG&A expenses	(57) (2.5)%
FYE March 2024 Q 1	Operating income	(162) + 33.1%

01 First Quarter Results

1-2. Consolidated Balance Sheet

1-2a Consolidated Balance Sheet Assets



Current assets

Increase

Cost on uncompleted construction contracts + 367 million yen
Real estate for sale + 296 million yen

Decrease

Cash and deposits (3,482) million yen

Noncurrent assets

No notable items

	(million yen)				
	FYE March 2024 Q 1	Percentage of total	FYE March 2023	Percentage of total	Comparison
Current assets	22,028	61.7%	24,875	64.2%	(2,846)
Property, plant and equipment	8,200	23.0%	8,225	21.2%	(24)
Intangible assets	1,455	4.1%	1,477	3.8%	(21)
Investments and other assets	4,021	11.3%	4,157	10.7%	(136)
Noncurrent assets	13,678	38.3%	13,860	35.8%	(181)
Total assets	35,707	100.0%	38,735	100.0%	(3,028)

1-2b Consolidated Balance Sheet Liabilities and Net Assets



Liabilities

Decrease

Income taxes payable (784) million yen
Accounts payable (429) million yen

Net Assets

Decrease

Retained earnings(1,201) million yen
Capital reserve (514) million yen

	(million yen)				
	FYE March 2024 Q 1	Percentage of total	FYE March 2023	Percentage of total	Comparison
Current liabilities	10,780	30.2%	11,470	29.6%	(690)
Noncurrent liabilities	3,645	10.2%	4,060	10.5%	(415)
Total liabilities	14,425	40.4%	15,531	40.1%	(1,105)
Shareholder's equity	21,878	61.3%	23,775	61.4%	(1,896)
Accumulated other comprehensive income	(596)	(1.6)%	(571)	(1.5)%	(25)
Non-controlling interests	—	—	—	—	—
Total assets	21,281	59.6%	23,204	59.9%	(1,922)
Total liabilities and net assets	35,707	100.0%	38,735	100.0%	(3,028)

02 Business Segment Result

2-1. CreCla Business

2-1a CreCla Business Sales and Operating Income Trends

Sales

Directly
Managed
stores

- In Water-Home Delivery “CreCla”, although there was a decline in number of customers, sales increased year-on-year as deliveries went up and price of CreCla bottled water increased (since October 2022)
- Decreased year-on-year in hypochlorous acid aqueous solution 「ZiACO」 because of increased contract cancellation rate due to the effect of new coronavirus reclassified as Class 5

Affiliated
stores

Although the number of customers and sales quantity of CreCla bottles are declining, revenue are at the same level year-on-year with the price increase of CreCla bottled water from the previous fiscal year (slightly increased)

Operating income

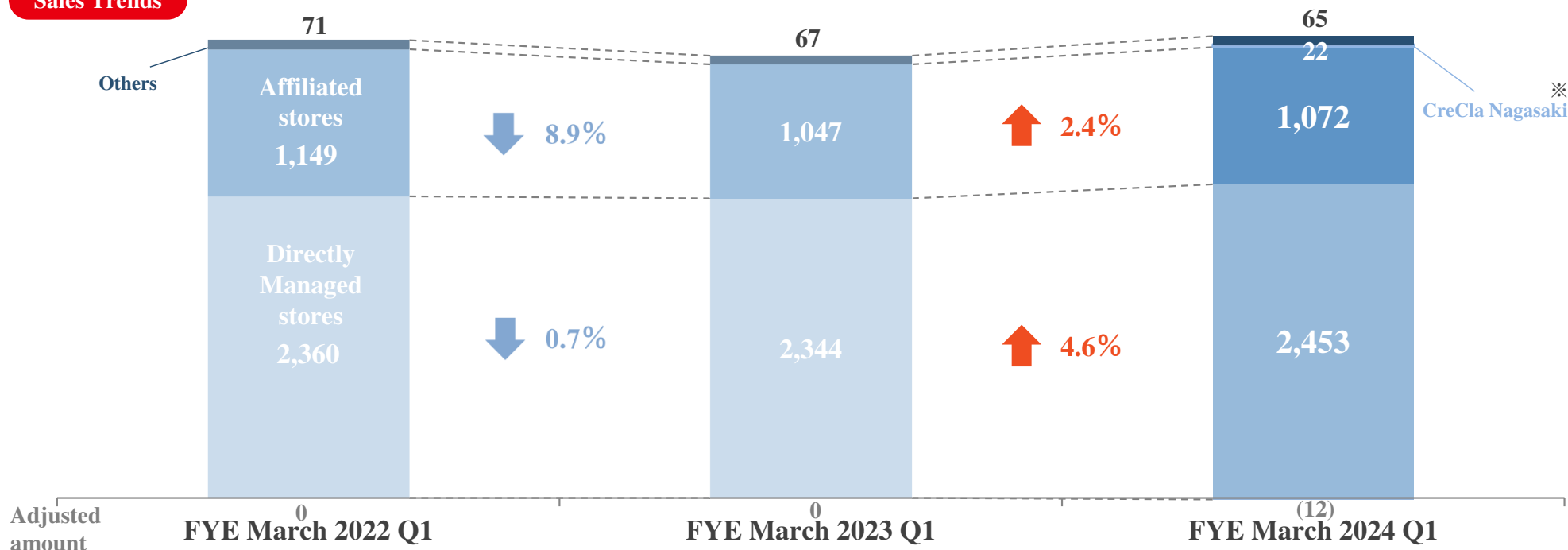
Increased significantly year-on-year due to price increase of CreCla bottled water and recovery of the number of customers by focusing on sales event which increased the sales

Sales	3,582	3,459	3,600
Operating income	169	125	259

(million yen)

※Newly established (Consolidated since April 2023)

Sales Trends



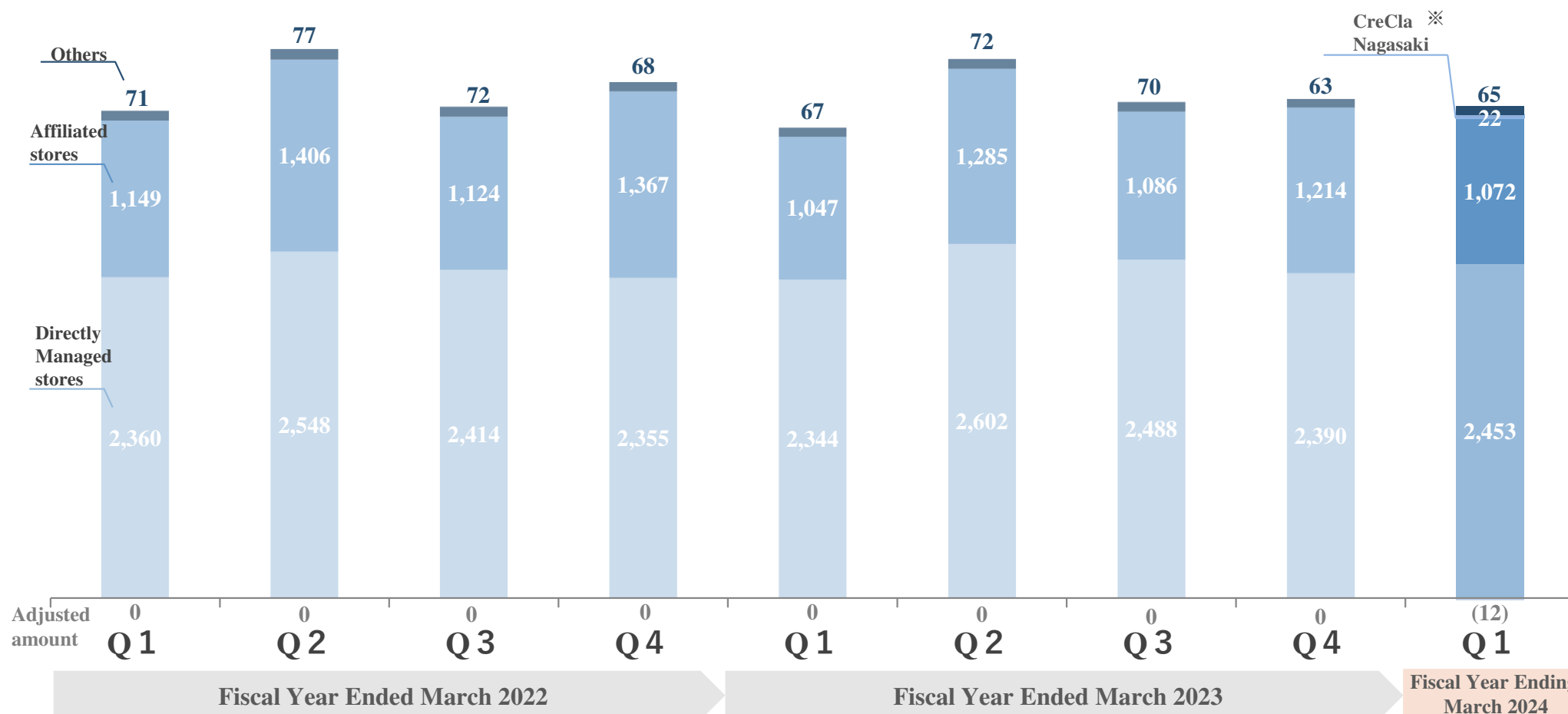
2-1b CreCla Business Quarterly Trends of Sales and Operating Income



FYE March 2022				FYE March 2023				FYE March 2024
Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q1
Sales								
3,582	4,032	3,611	3,792	3,459	3,960	3,644	3,669	3,600
Operating income								
169	401	286	411	125	584	474	434	259

※ Newly established
(consolidated since April 2023) (million yen)

Sales Quarterly Trends



- Expanding number of customers
 - ▶ Strengthen sales promotion focusing on event sales in shopping malls
 - ▶ Develop and deliver new servers and services including water purifier server “feel free” and “putio”
 - ▶ Utilization of system infrastructure 「CrePF (CreCla platform)」
- Secure personnel and strengthen training system
- Cross-media strategies utilizing various media
- On April 1, 2023, CreCla Nagasaki Co., Ltd became a consolidated subsidiary



feel free



Launched in July 2023
small type
water purifier server
「putio」



02 Business Segment Results

2-2. Rental Business

2-2a Rental Business Sales and Operating Income Trends

Sales

Duskin

Increased year-on-year as a result of price increase of some products in Dust control products division (July 2022) and business expansion in HealthRent division and Care services division

Earnest

Increased year-on-year due to the focus in continuation of infectious disease-related projects (Border Control Support projects by MHLW)

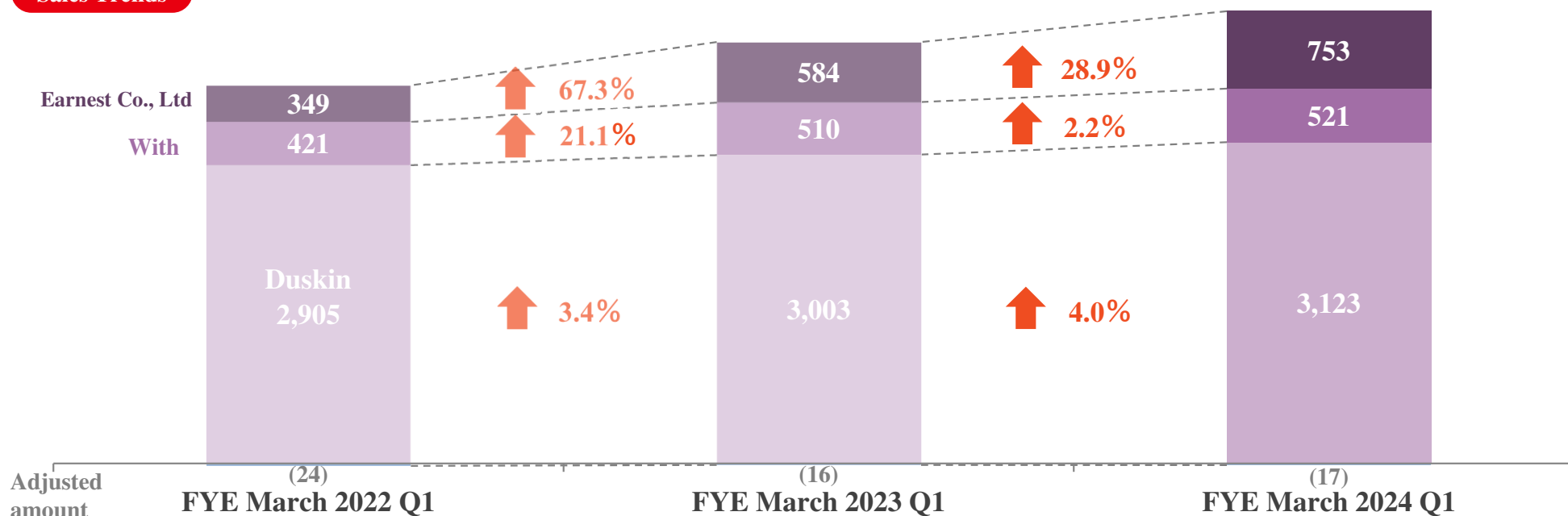
Operating income

Decreased year-on-year due to the decline of gross profit margin in Earnest Co., Ltd

Sales	3,652	4,081	4,381
Operating income	290	416	408

(million yen)

Sales Trends



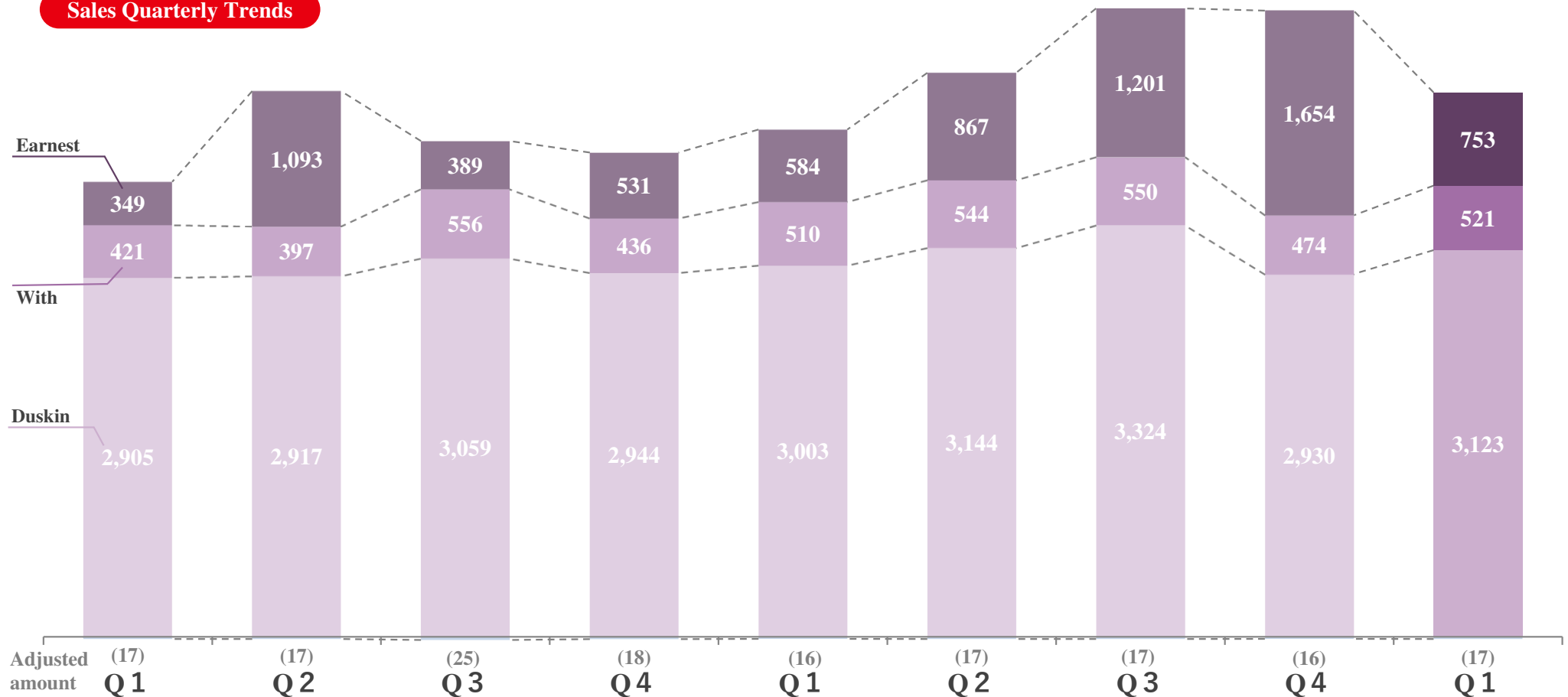
2-2b Rental Business Quarterly Trends of Sales and Operating Income



FYE March 2022				FYE March 2023				FYE March 2024
Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1
Sales								
3,652	4,390	3,979	3,894	4,081	4,539	5,059	5,041	4,381
Operating income								
290	424	458	448	414	469	630	535	408

(million yen)

Sales Quarterly Trends



Fiscal Year Ended March 2022

Fiscal Year Ended March 2023

Fiscal Year Ending March 2024

2-2c Rental Business Priority Measures for FY2023 onwards

Duskin

- Promote projects according to the capital and businesses agreement with Duskin Co., Ltd
 - ▶ Care Service division: Add 15 more businesses in addition to the 95 businesses *after alliance
 - ▶ HealthRent division: Add three more stores in addition to the seven stores *after alliance
- Provide new products and new services in response to the change of lifestyle caused by infectious disease

With

Strengthen and streamline sales activities in response to the resumption of operations of restaurants, our major customers

Earnest

Continue the infectious disease-related business and strengthen cooperation with government offices in other fields

※Businesses as of June 2023



衛生環境を整える
DUSKIN

Health
Rent
ヘルスレント



with



EARNEST
総合ビル管理 株式会社アーネスト

02 Business Segment Results

2-3. Construction Consulting Business

2-3a Construction Consulting Business Sales and Operating Income Trends



Sales

Consulting

Sales ratio for subsidized products has increased and takes time to complete the review, so sales are not recorded in the first quarter which resulted a decrease year-on-year

NAC HAUS Partner

- ▶ Increase year-on-year due to increase of sales in industrial materials of Smart Energy business (previously Nac Smart Energy Co., Ltd)
- ▶ Decrease year-on-year due to decline in wholesale caused by decrease in number of houses built by Affiliated stores in Housing Network business

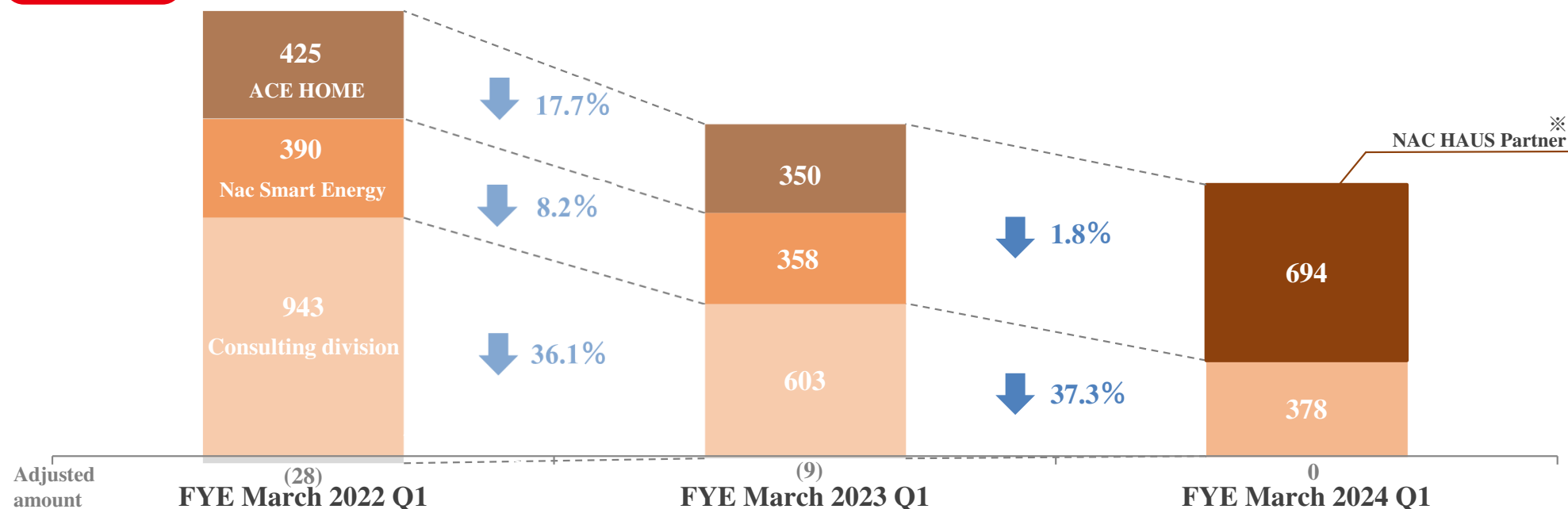
Operating income

Operating loss significantly increased due to sales decline in Consulting division with high profit margin

	(million yen)		
Sales	1,732	1,302	1,073
Operating income	84	(193)	(295)

Sales Trends

※ ACE HOME Co., Ltd has merged with NSE Co., Ltd and changed its name (April 1, 2023)



2-3b Construction Consulting Business Sales and Operating Income Trends



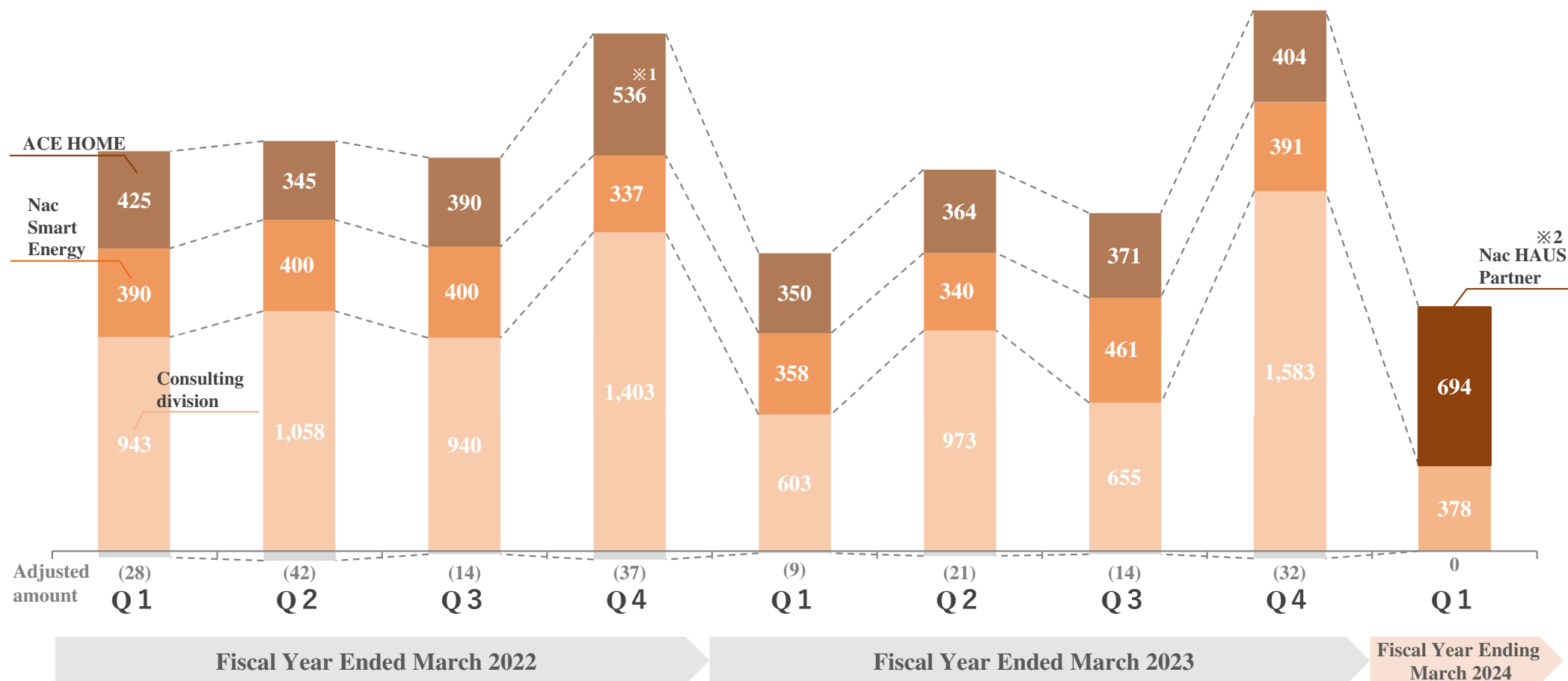
FYE March 2022				FYE March 2023				FYE March 2024
Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1
Sales								
1,732	1,760	1,717	2,239	1,302	1,657	1,474	2,319	1,073
Operating income								
84	212	113	461	(193)	134	10	895	(295)

Sales Quarterly Trend

※1 FYE March 2022 Q4 : ACE HOME Co., Ltd changed its year-end (from February ⇒ March) to a four-month period

(million yen)

※2 ACE HOME Co., Ltd merged with Nac Smart Energy Co., Ltd and changed its name (April 1, 2023)



◆ Adjusted amount : Sales mainly within the segment

2-3c Construction Consulting Business Priority Measures for FY2023 onwards

Consulting
division

- Sales of new products that promotes DX and SDGs
- Expand sales by strengthening sales methods using subsidized products
- Expand services for free membership system and strengthen the after-sales service for members

NAC
HAUS
Partner

- On April 1, 2023, ACE HOME Co., Ltd merged with Nac Smart Energy Co., Ltd
 - ▶ At the same time, company name was changed to 「NAC HAUS Partner Co., Ltd」
- Develop and provide new services for the realization of the decarbonized society by exerting synergy effect of both businesses



Think Tank For Construction

NAC

Consulting division

April 1, 2023, ACE HOME Co., Ltd
merged with Nac Smart Energy



ナックスマートエネルギー株式会社

Changed to
NAC HAUS Partner Co., Ltd



NAC HAUS Partner



▶ Housing Network business
(Former : ACE HOME Co., Ltd)



▶ Smart Energy business
(Former : Nac Smart Energy Co., Ltd)

02 Business Segment Results

2-4. Housing Sales Business

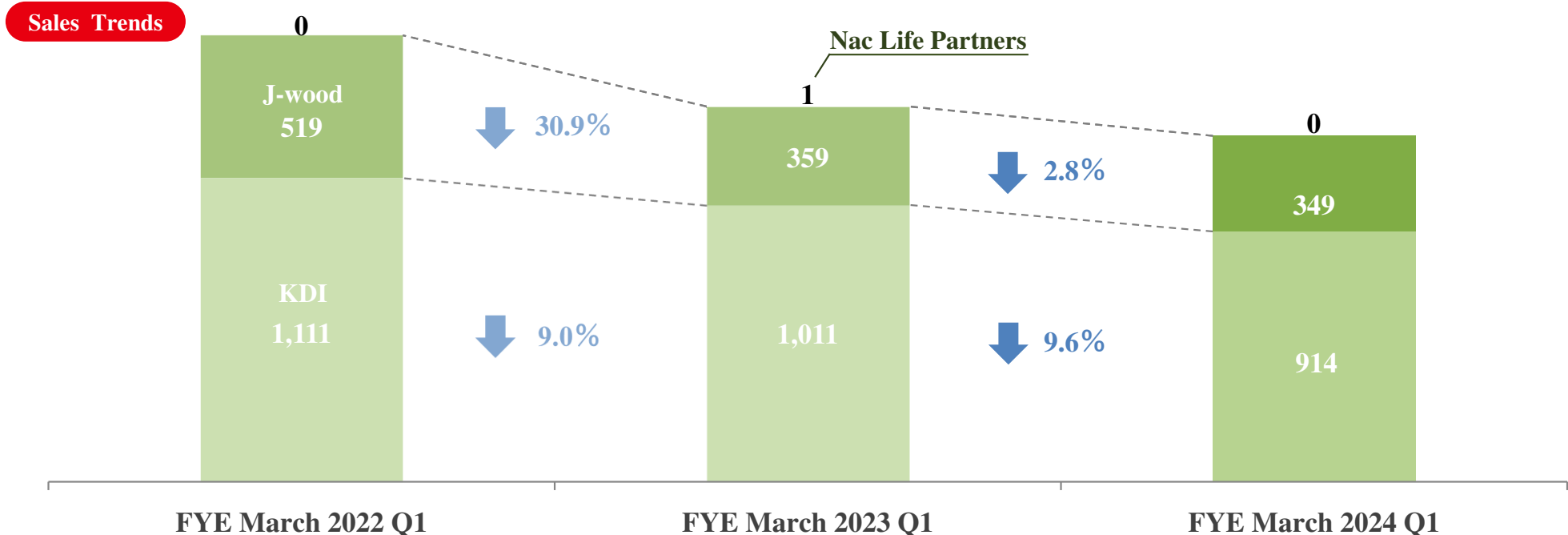
2-4a Housing Sales Business Sales and Operating Income Trends



Sales	KDI	Decreased year-on-year due to sluggish sales with struggle in purchasing land due to increase of land prices in city center, as well as the slowdown of the entire real estate market due to the soaring prices of construction materials
	J-wood	Same level year-on-year (slightly decreased) due to decline of completed buildings despite the increase of unit price per building and sales increase of real estate for sale
Operating income	KDI	Operating loss was recorded due to a decrease in the number of units sold from the same period of the previous year, when operating profit was recorded, resulting in a deterioration in profitability
	J-wood	Although operating loss has reduced year-on-year as a result of increase in selling unit price and improving operating margin, continued to record operating loss

Sales	1,631	1,371	1,264
Operating income	(114)	(197)	(198)

(million yen)



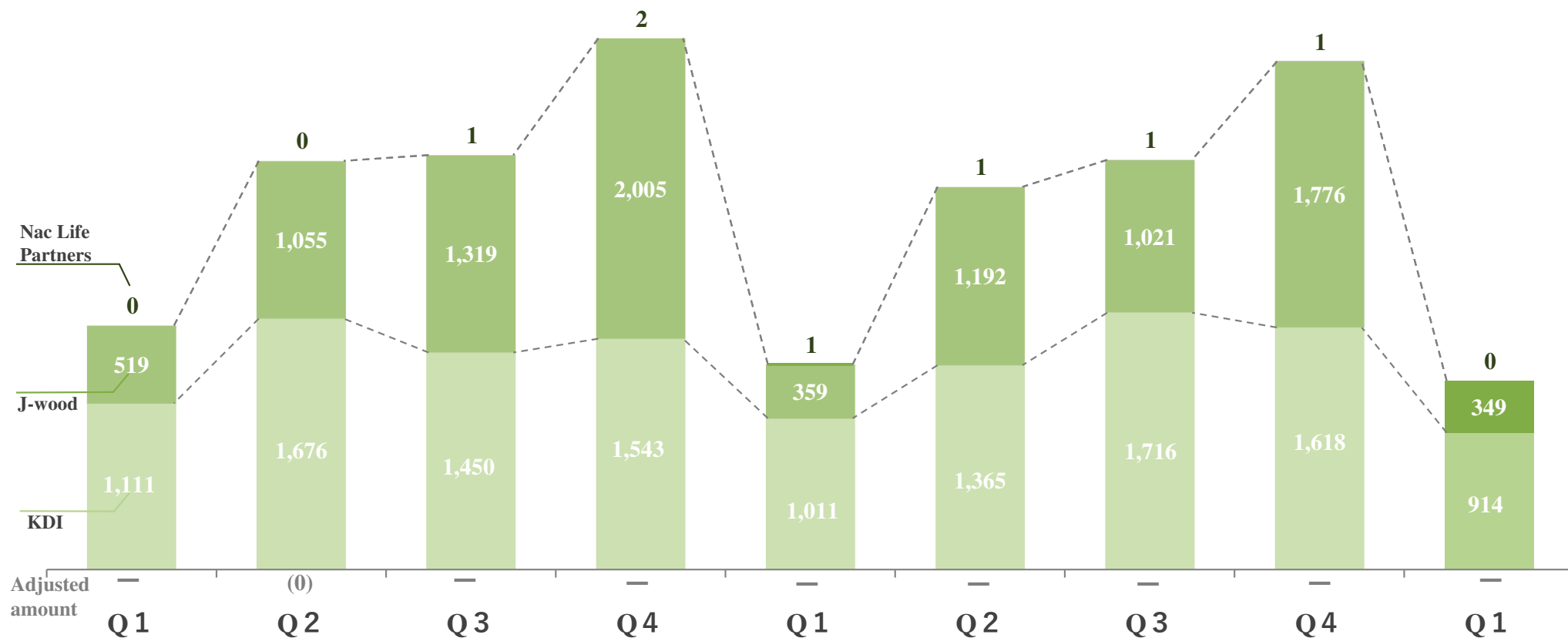
2-4b Housing Sales Business Quarterly Trends of Sales and Operating Income



FYE March 2022				FYE March 2023				FYE March 2024
Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1
Sales								
1,631	2,732	2,771	3,551	1,371	2,559	2,739	3,396	1,264
Operating income								
(114)	53	142	152	(197)	(0)	(21)	38	(198)

(million yen)

Sales Quarterly Trends



Fiscal Year Ended March 2022

Fiscal Year Ended March 2023

Fiscal Year Ending March 2024

◆ Adjusted amount : Sales mainly within the segment

2-4c Housing Sales Business Priority Measures for FY2023 onwards **NAC**

KDI

- Strengthening real estate solutions
- Focus on land purchase mainly in the 23 special wards of Tokyo

J-wood

- Hold various campaigns for the 20th year anniversary of J-WOOD Business
 - ▶ Promote the 「creation of new fans」
- Full product line-up in KUNIMOKU HOUSE business such as energy-savings houses



KDI-HOME

Kindness, Development, Integrity



株式
会社

ジェイウッド



**KUNIMOKU
HOUSE**

02 Business Segment Results

2-5. Beauty and Health Business

2-5a Beauty and Health Business Sales and Operating Income Trends **NAC**

Sales	JIMOS	Increased year-on-year due to expanding selling quantity of wholesale of “SINN PURETÉ” and merger of “TOFU NO MORITAYA” brand in July 2022
	BELAIR	Decreased year-on-year following the decrease of sales due to decline of members
	UP SALE	Decreased year-on-year following the decline selling quantity due to intensified price competition in online shops
	TOREMY	Significantly increased as a result of new orders from major sales destination, as well as increasing orders from existing customers due to recovery in demand
Operating income	Significantly increased year-on-year due to increased sales of TOREMY Co. Ltd, and cost savings through shared office	

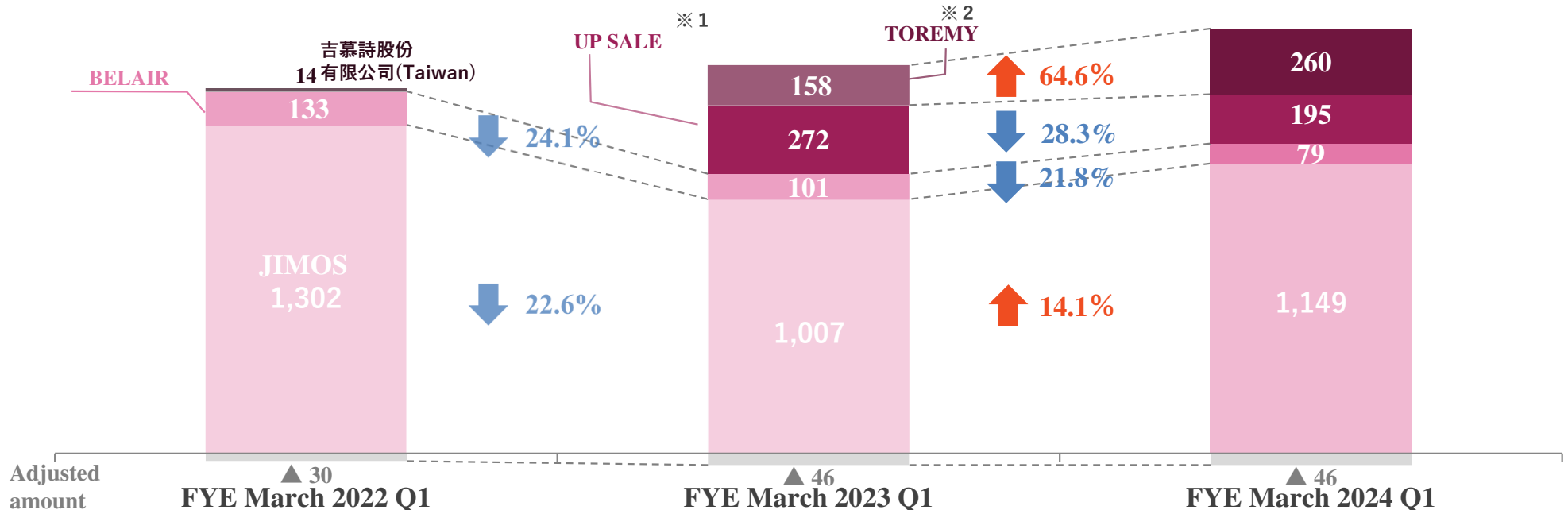
(million yen)

Sales	1,419	1,493	1,638
Operating income	183	(41)	25

Sales Trends

※1) Company split of JIMOS Co., Ltd for establishment (consolidated from September 2021)

※2) Acquired ownership by M&A (consolidated from October 2021)



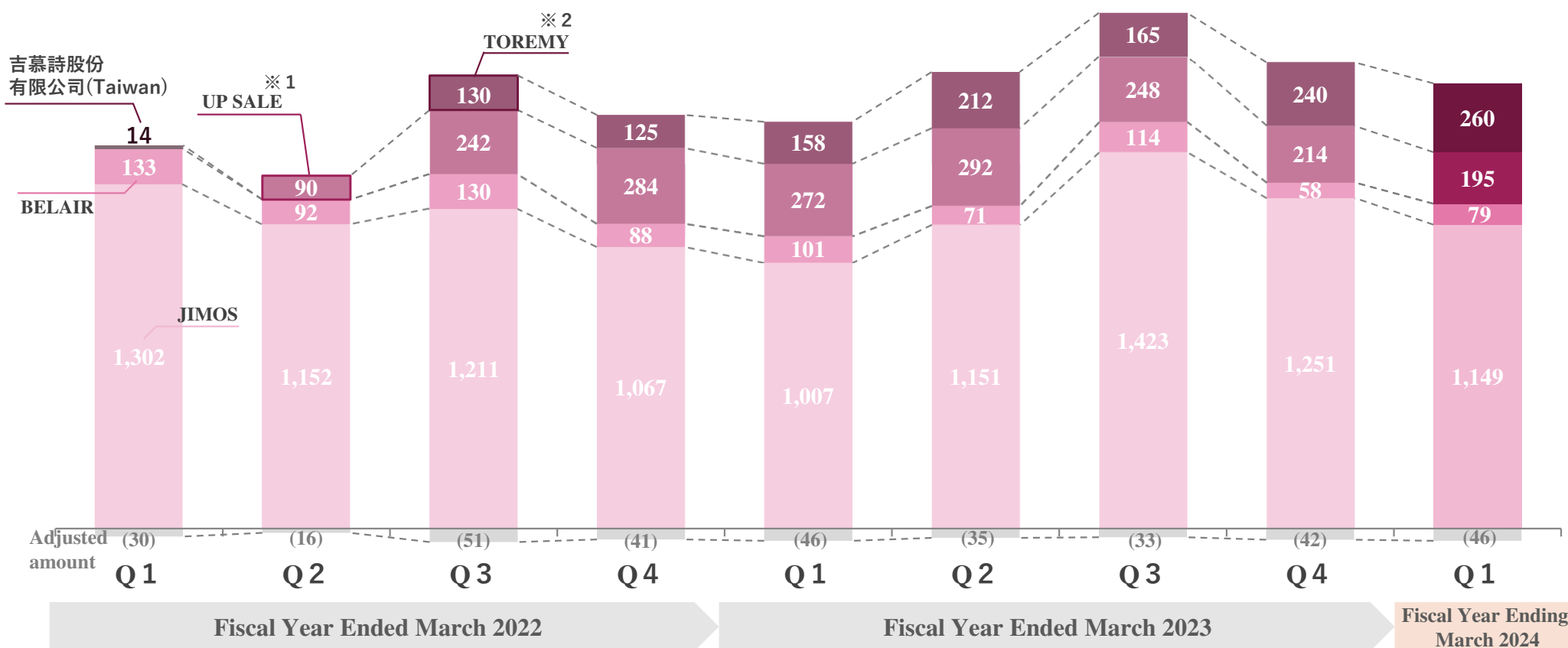
2-5b Beauty and Health Business Sales and Operating Income Trends **NAC**

FYE March 2022				FYE March 2023				FYE March 2024
Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1
Sales								
1,419	1,319	1,658	1,524	1,493	1,691	1,919	1,722	1,638
Operating income								
183	128	193	(353)	(41)	(34)	200	113	25

(million yen)

Sales Quarterly Trends

- ※ 1) Company split of INFINITY BEAUTY business and Seikatsu Club business of JIMOS Co., Ltd for establishment (Consolidated from September 2021)
 ※ 2) Acquired ownership by M&A (Consolidated from October 2021)



2-5c Beauty and Health Business Priority Measures for FY2023 onwards



JIMOS

- New organization for improving efficiency of advertising investment across brands
- Raise prices for existing products, and enhancement of product lineup by developing new products and categories

BELAIR

Sales channel expansion that looks forward to the era of the 100-year lifespan with return to starting point, sales of supplement

UP SALE

Further expansion of products handled in mail-order business, active product development and profitability improvement through purchasing

TOREMY

- ODM proposals of quasi-drugs aggressively, equipment and personnel investments for productivity improvement
- Continue to strengthen the vertical integrations with each business from the group

MACCHIA LABEL
マキアレイベル



coyori



SINN PURETÉ
natural & organics



豆腐の盛田屋



'''jimos one to only one



ベリエアー



UP SALE



TOREMY

03 Result Forecast for FYE March 2024

3-1 Consolidated Result Forecast

- Revenue and profit are expected to increase compared to the fiscal year ended March 2023
- Continuing from fiscal year ended March 2023, we plan to take aggressive upfront investments to acquire customers, including new store openings, human capital, new products and services, and sales promotion activities

(million yen)			
	FYE March 2024 Forecast	FYE March 2023 Result	Comparison
Sales	60,000	57,068	+ 2,931
Operating income	3,500	3,232	+ 267
Ordinary income	3,500	3,243	+ 256
Profit attributable to owners of parent company	2,200	2,002	+ 197
EPS	97.95yen	89.14yen	+ 8.81yen

3-2 Consolidated Result Forecast : Sales by Segment



(million yen)

	FYE March 2024 Forecast	FYE March 2023 Result	Comparison
CreCla Business	15,000	14,733	+ 266
Rental Business	16,500	18,722	(2,222)
Construction Consulting Business	9,000	6,754	+ 2,245
Housing Sales Business	11,500	10,067	+ 1,432
Beauty and Health Business	8,000	6,826	+ 1,173
Elimination of adjustments (including new • M&A)	—	(35)	—
TOTAL	60,000	57,068	+ 2,931

3-3 Consolidated Result Forecast : Operating Income by Segment



(million yen)

	FYE March 2024 Forecast	FYE March 2023 Result	Comparison
CreCla Business	1,350 [9.0%]	1,618 [11.0%]	(268) [(2.0pt)]
Rental Business	1,600 [9.7%]	2,050 [11.0%]	(450) [(1.3pt)]
Construction Consulting Business	1,350 [15.0%]	847 [12.5%]	+ 502 [+ 2.5pt]
Housing Sales Business	250 [2.2%]	(181) [(1.8%)]	+ 431 [+ 4.0pt]
Beauty and Health Business	400 [5.0%]	238 [3.5%]	+ 161 (+ 1.5pt)
Corporate expenses (including new • M&A)	(1,450)	(1,341)	(108)
TOTAL	3,500 [5.8%]	3,232 [5.7%]	+ 267 [+ 0.1pt]

※Figures in parentheses are the operating margin to net sales

04 Dividend

Dividend Policy

Dividend on equity (DOE) 4 % and dividend payout ratio within 100 %

Annual dividend

22	44	38	40	42
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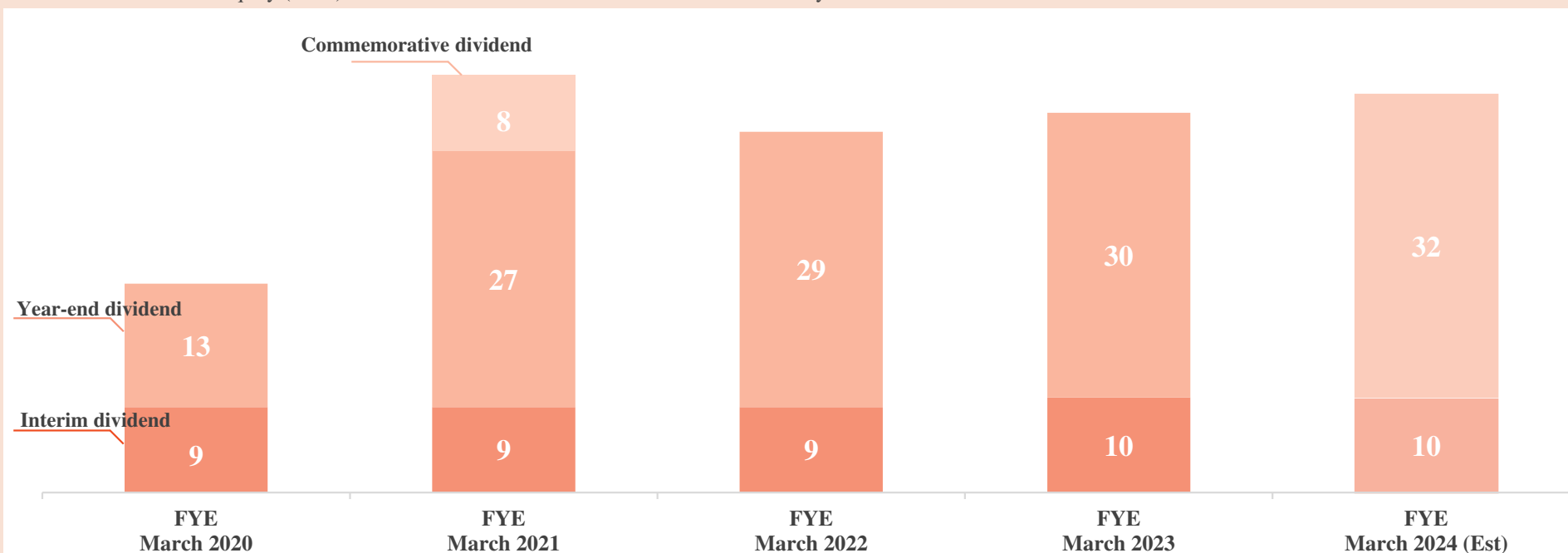
Dividend on equity (DOE)

2.5%	4.8% ※	3.9%	3.9%	—
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Dividend payout ratio

95.9%	53.6%	49.9%	44.9%	42.9%
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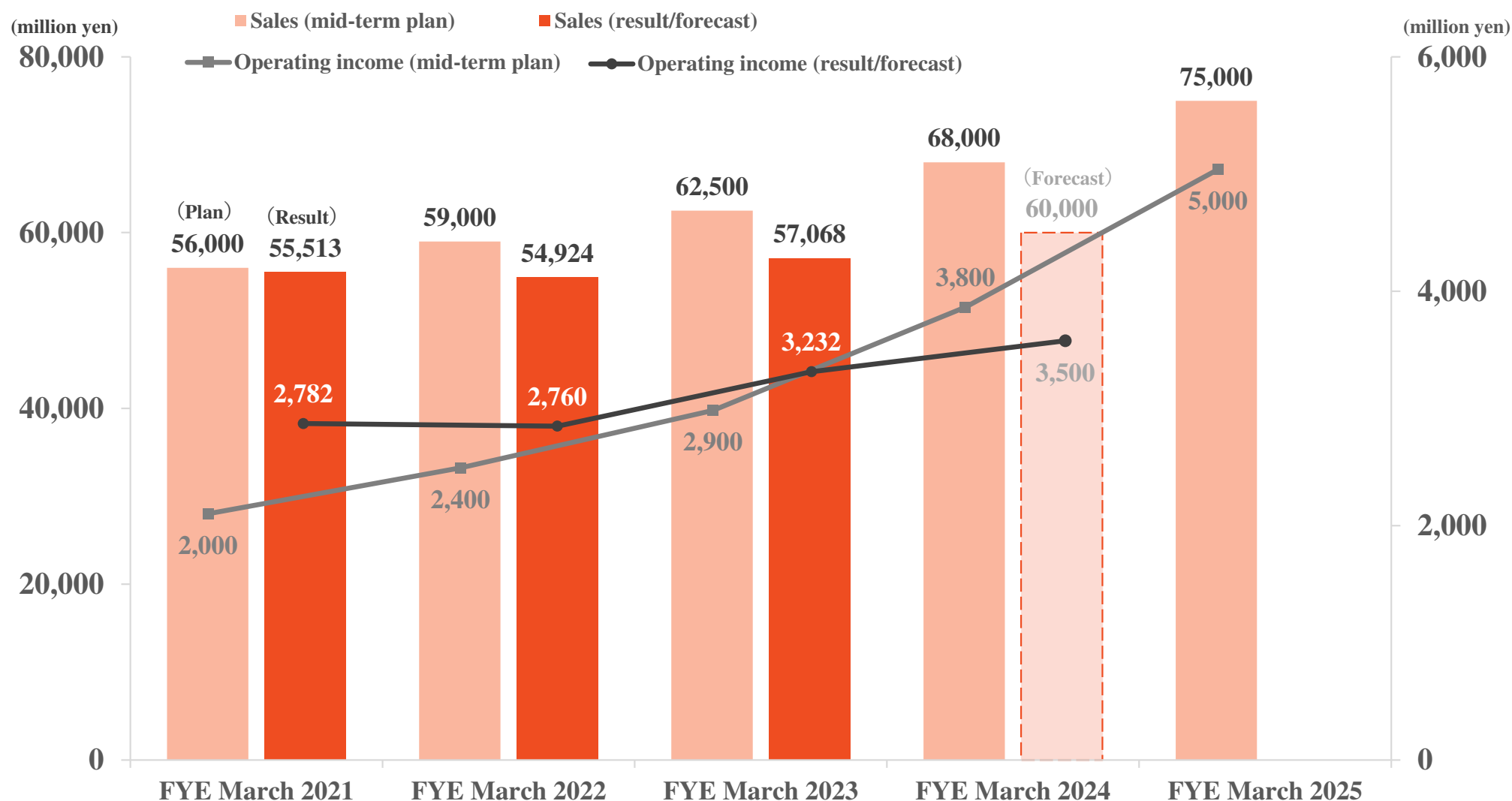
※ Ratio of dividend on equity (DOE) exceeds 4% due to the commemorative dividend of 8yen in FYE March 2021



05 Mid-term Management Plan

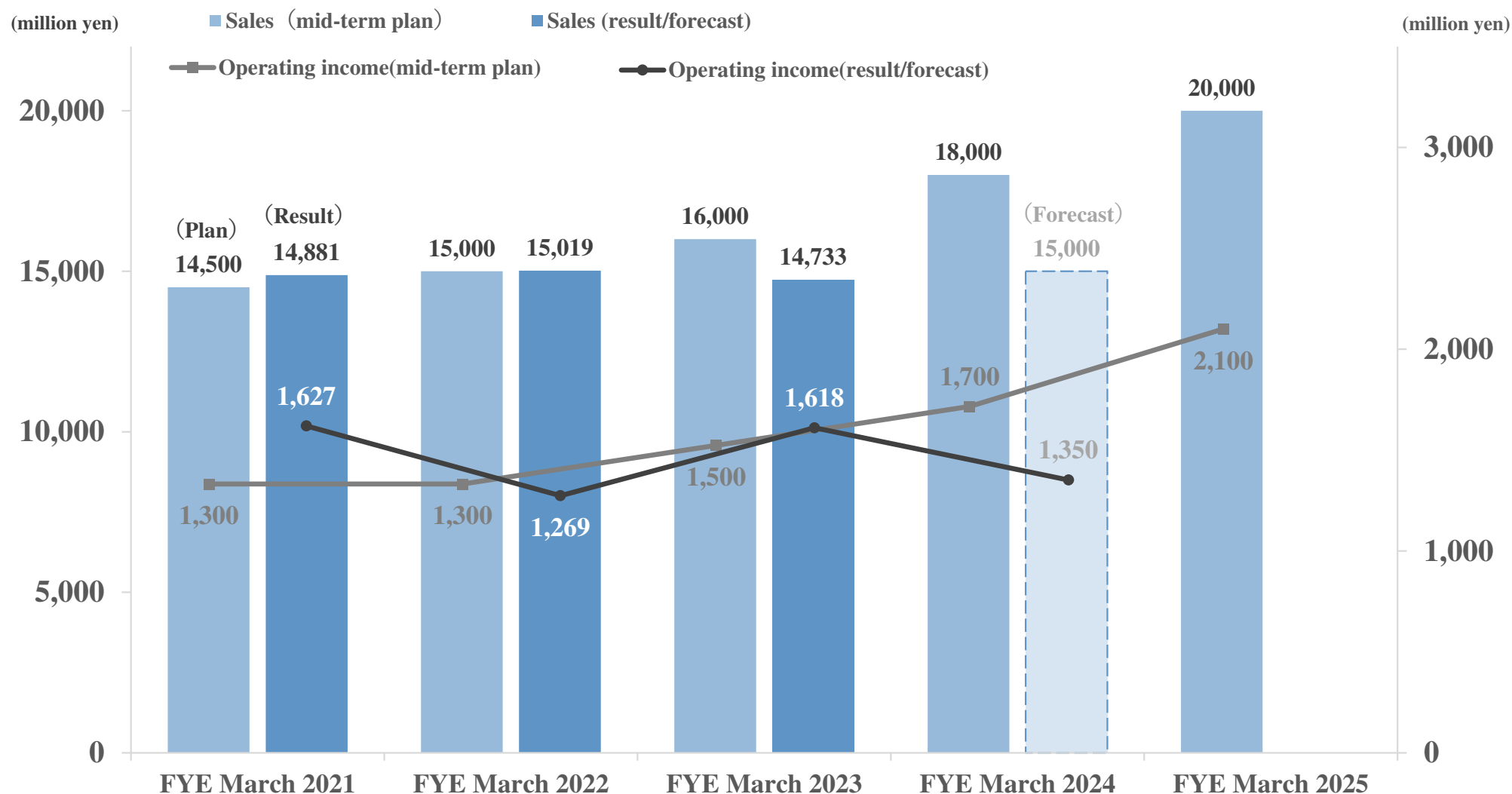
5-1 Progress of Mid-Term Business Plan

- In fiscal year ending March 2024, we will continue with aggressive upfront investment mainly in CreCla Business and Rental Business
- The plan is an increase in revenue and profit compared with the previous fiscal year, but a decline in revenue and profit are expected relative to the mid-term plan



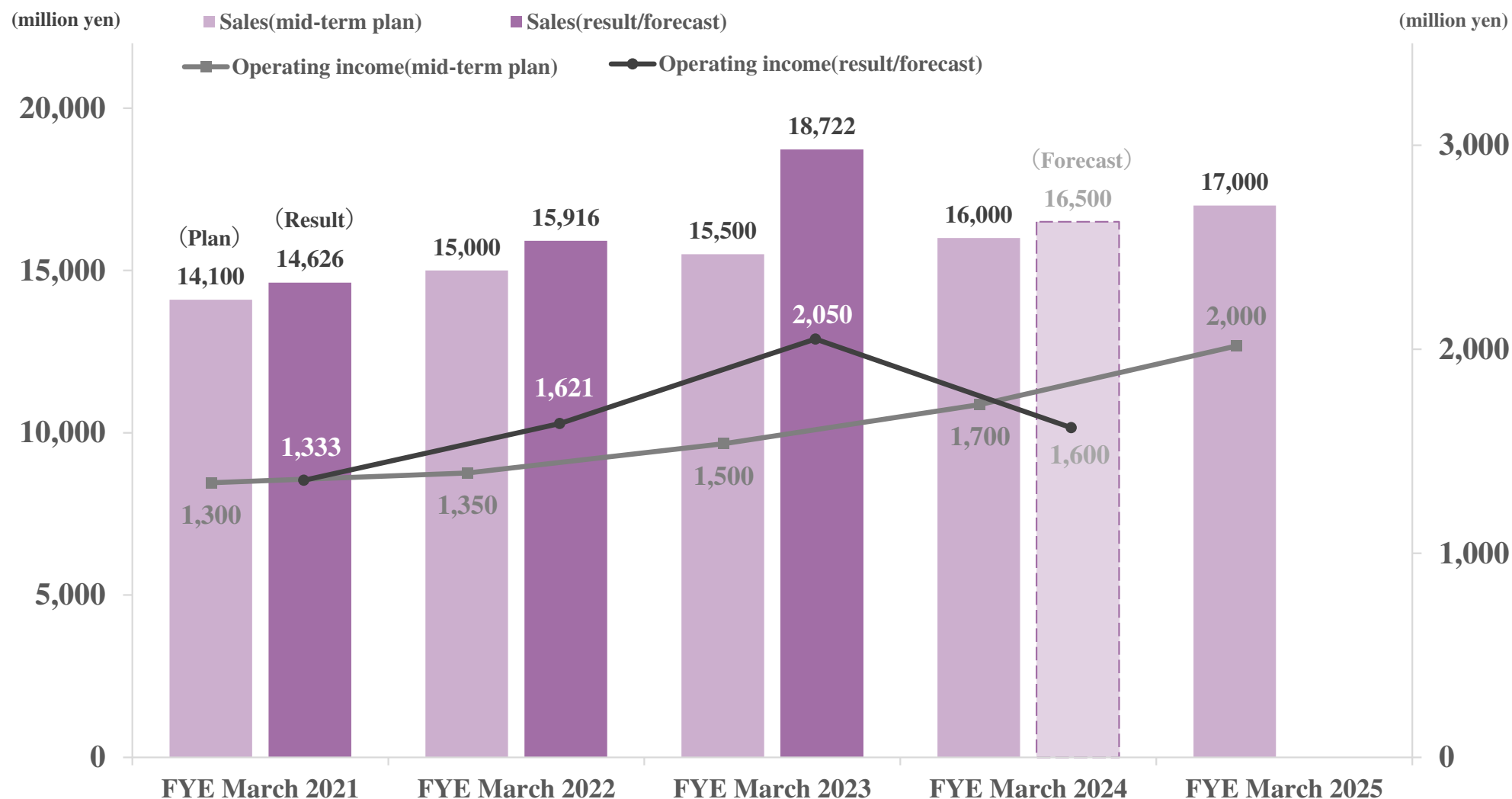
5-1 Progress of Mid-Term Business Plan (CreCla Business)

- Plan an increase in revenue and decrease in profit compared with the previous fiscal year because of expected aggressive sales promotion activities
- Decrease in revenue and profit are expected relative to mid-term plan



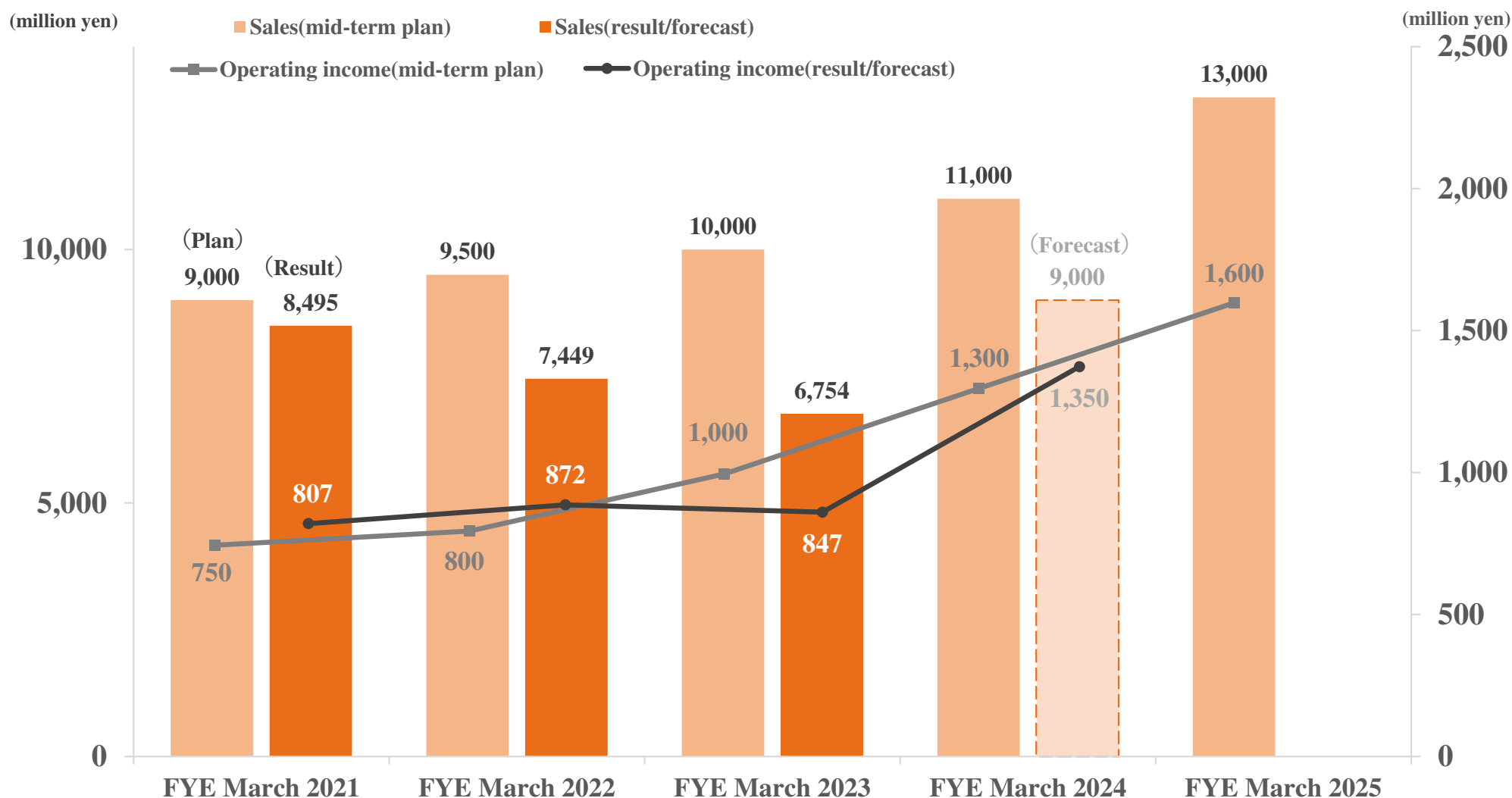
5-1 Progress of Mid-Term Business Plan (Rental Business)

- Plan a decrease in revenue and profit compared with the previous fiscal year
- Increase in revenue and decrease in profit are expected relative to mid-term plan



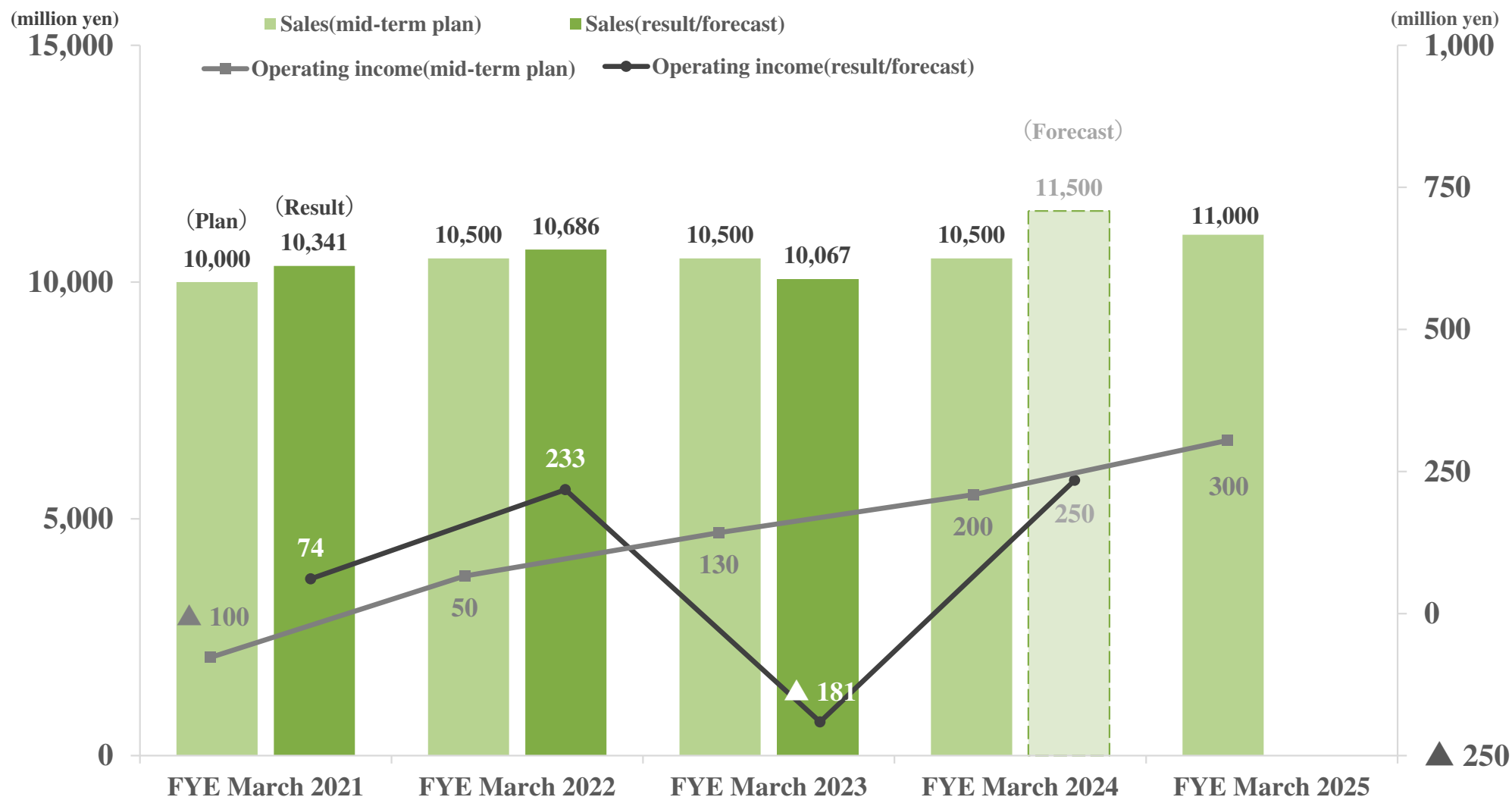
5-1 Progress of Mid-Term Business Plan (Consulting Construction Business)

- Plan an increase in revenue and profit compared with the previous fiscal year
- Decrease in revenue and increase in profit are expected relative to mid-term plan



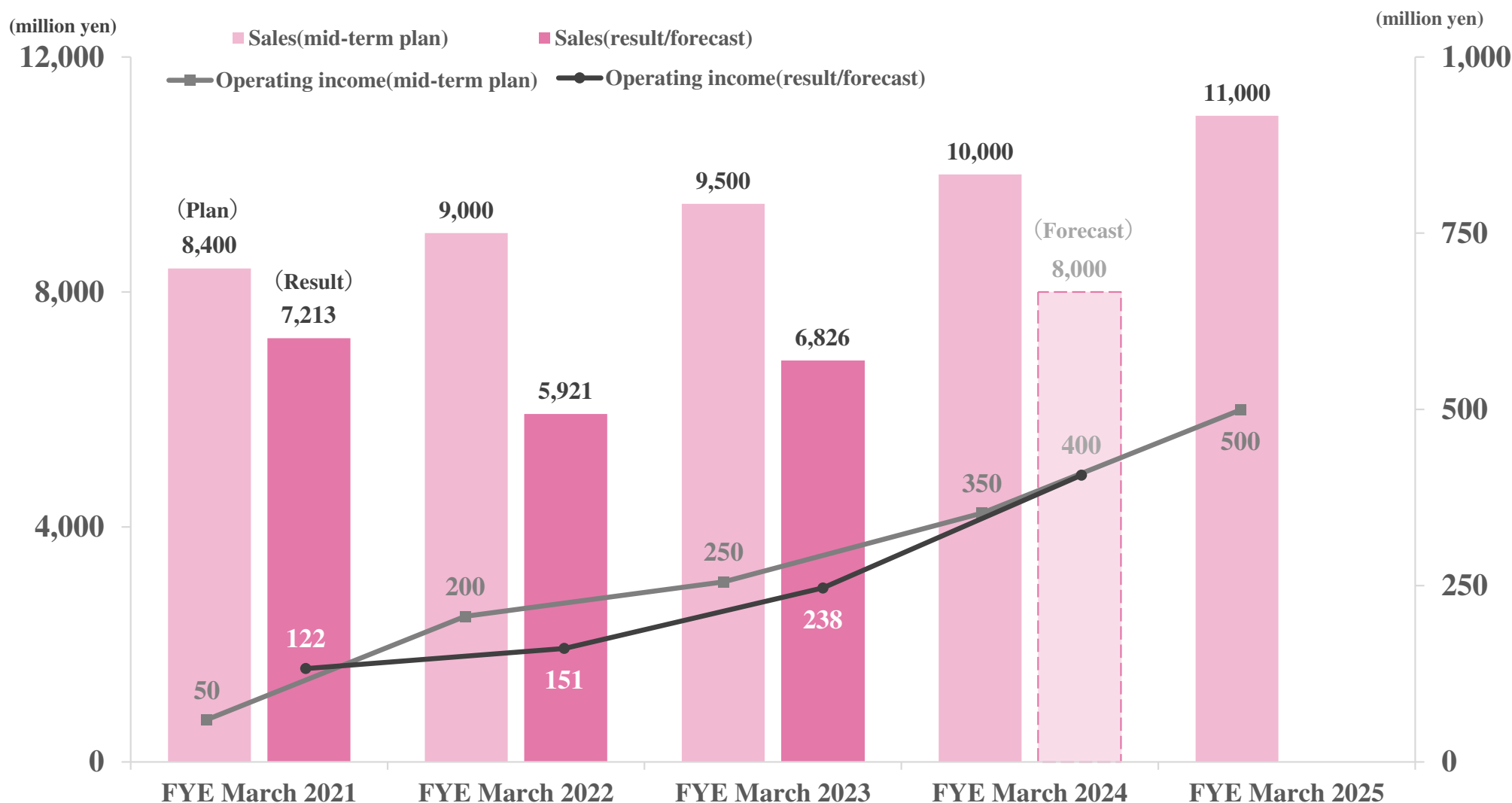
5-1 Progress of Mid-Term Business Plan (Housing Sales Business)

- Plan an increase in revenue and profit compared with the previous fiscal year
- Increase in revenue and profit are expected relative to mid-term plan



5-1 Progress of Mid-Term Business Plan (Beauty and Heath Business)

- Plan an increase in revenue and profit compared with the previous fiscal year
- Decrease in revenue and increase in profit are expected relative to mid-term plan



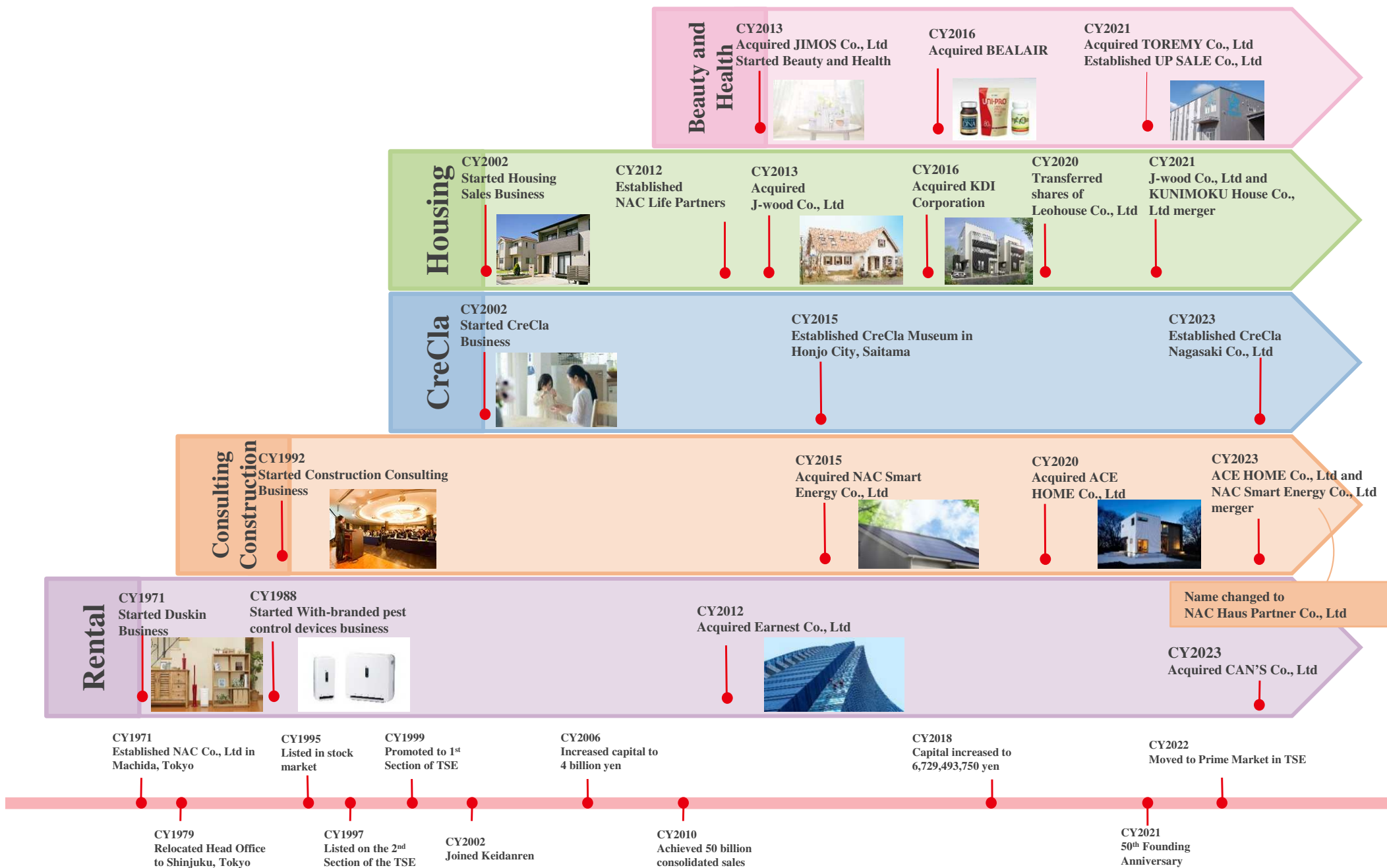
06 Company Profile

6-1 Company Outline

(As of end of March 2023 ※Consolidated subsidiary only is with information indicated as of June 2023)

Company name	NAC CO., LTD.
Address	Tokyo, Shinjuku-ku, Nishi-Shinjuku 1-25-1 Shinjuku Center Building 42F
Date established	May 20, 1971
Representative	Yoshimura Kan, President
Consolidated Subsidiaries	<div> <div>CreCla</div> <div>CreCla Nagasaki Co., Ltd (Water Delivery Business)※became a subsidiary in April 1, 2023</div> </div> <div> <div>Rental</div> <div>Earnest Co., Ltd (Building Maintenance Business) CAN'S Co., Ltd(Restoration Work Business) ※became a subsidiary in May 31, 2023</div> </div> <div> <div>Consulting</div> <div>NAC HAUS Partner Co., Ltd (Sales and Construction Energy-savings products) ※Company named changed from ACE HOME Co., Ltd in April 1, 2023 and merged with Nac Smart Energy Co., Ltd</div> </div> <div> <div>Housing Sales</div> <div>J-wood Corporation (Custom-built Houses Contractor) KDI CORPORATION (Ready-built/Order-made Houses) Nac Life Partners Co., Ltd (Finance and Benefits)</div> </div> <div> <div>Beauty and Health</div> <div>JIMOS Co., Ltd (Cosmetics and Health Food Mail-order) BELAIR Co., Ltd (Manufacture/Sales of Nutritional supplements and Cosmetics) 吉慕詩股份有限公司(Taiwan) (Beauty and Health Business) TOREMY Co., Ltd (Cosmetics Development and Manufacture) UP SALE Co., Ltd (Cosmetics, Health Food and Medicine Mail-order)</div> </div>
No. of employees (Regular employees)	Consolidated 1,591 (excluding part-time employees)
Capital	6,729,493,750 yen
Shares Outstanding	24,306,750 shares (1 unit : 100shares)
No. of shareholders	17,971 (total number of shareholders excluding treasury stock)

6-2 NAC Group History



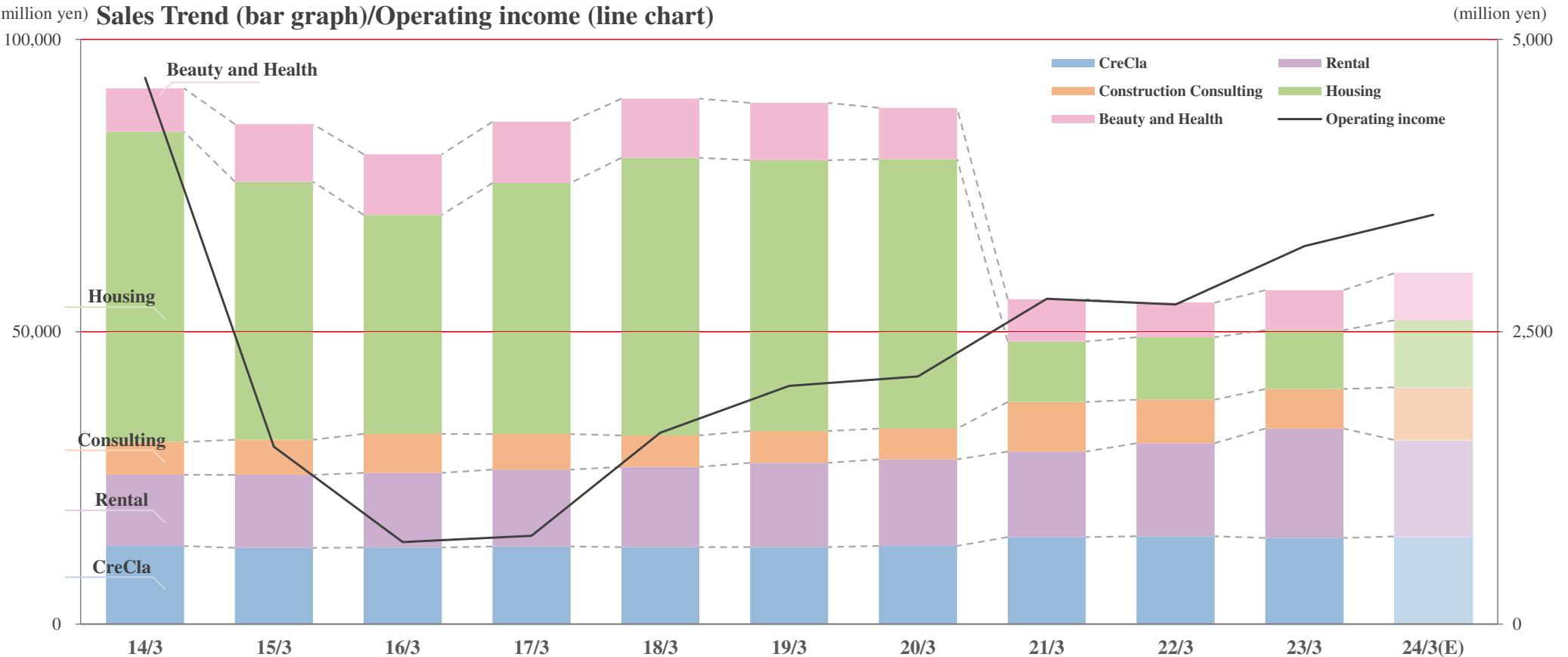
6-3 NAC Business Result (Previous 10 Fiscal Years + Forecast)

FYE 03/2014	FYE 03/2015	FYE 03/2016	FYE 03/2017	FYE 03/2018	FYE 03/2019	FYE 03/2020	FYE 03/2021	FYE 03/2022	FYE 03/2023	FYE 03/2024(E)
Sales										
91,630	85,443	80,302	85,901	89,818	89,111	88,222	55,513	54,924	57,068	60,000
Operating income										
4,672	1,517	701	756	1,637	2,037	2,118	2,782	2,760	3,232	3,500

Significant decrease in Housing Sales Business due to reactionary decline against consumption tax increase

Profit structure has changed due to transfer of Leohouse shares

(million yen) Sales Trend (bar graph)/Operating income (line chart)



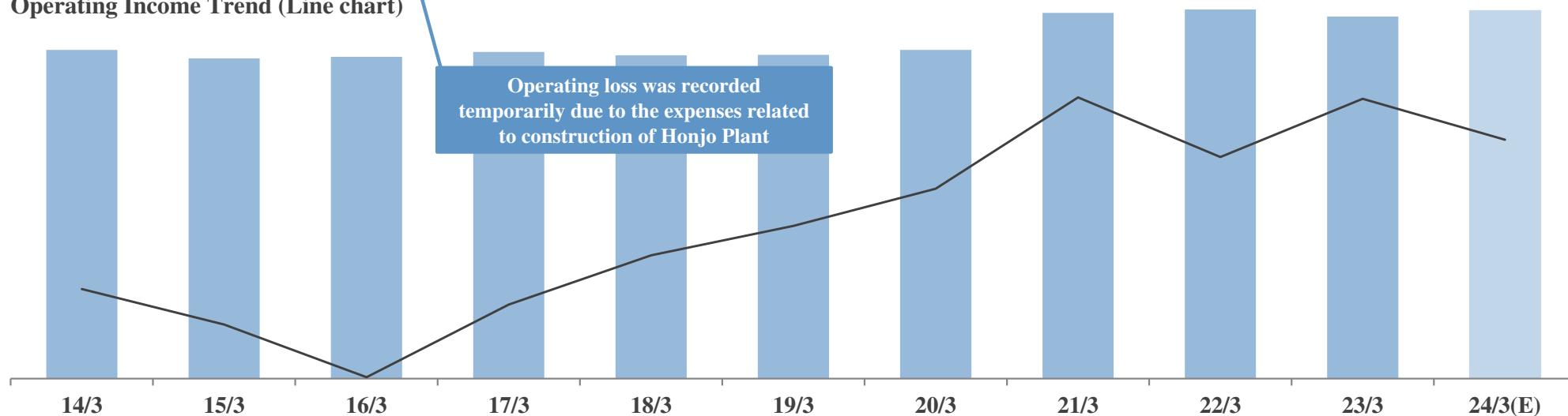
6-4 Business Introduction CreCla Business

Major composition : NAC Co., Ltd CreCla Business, CreCla Nagasaki Co., Ltd

- Manufacture and sales of CreCla (delivery of bottled water), Water Purifier Server (feel free) and ZiACO (hypochlorous acid solution)
- Operates the Head Office of CreCla Business (Affiliated stores of approx. 400 stores)
- **No. 1** in customer satisfaction for **12 consecutive years** (Dec 2022 survey by NIFTY Corporation on “water delivery”)
- Acquired the **industry’s first** eco-mark, and established the **industry’s first** R&D center
- April 2015 Manufacturing plant and CreCla Museum were established in Honjo City, Saitama Prefecture
- April 2023 CreCla Nagasaki Co., Ltd became a subsidiary (Trade Name 「CreCla Tsukumo」)

Sales	(million yen)									
13,376	13,033	13,095	13,293	13,158	13,179	13,375	14,881	15,019	14,733	15,000
Operating income										
375	143	(201)	274	596	788	1,030	1,627	1,269	1,618	1,350

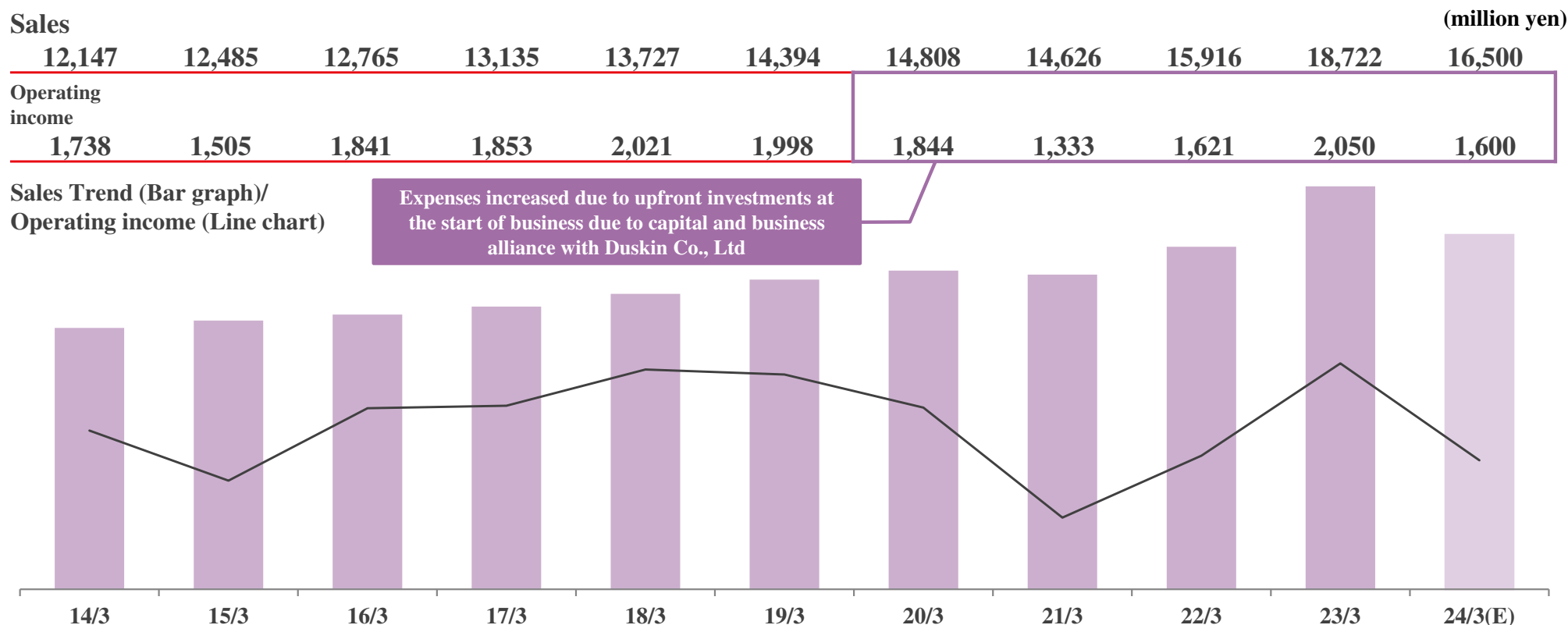
Sales Trend (Bar graph)/
Operating Income Trend (Line chart)



6-5 Business Introduction Rental Business

Major composition : NAC Co., Ltd Duskin Business, With Business, Earnest Co., Ltd, CAN'S Co., Ltd

- Rental and sales of dust control products, pest control items, and operates regular cleaning business
- Duskin franchise dealer **No. 1 sales** (approx. 1,900 companies)
- Pest control device “With” for restaurants, a **Japan's first** approved by Minister of Health, Labor and Welfare
- March 2012 Earnest Co., Ltd became a subsidiary (Building Maintenance Business)
- August 2018 Concluded a capital and business alliance with Duskin Co., Ltd
- May 2023 CAN'S Co., Ltd became a subsidiary (Restoration Work Business)

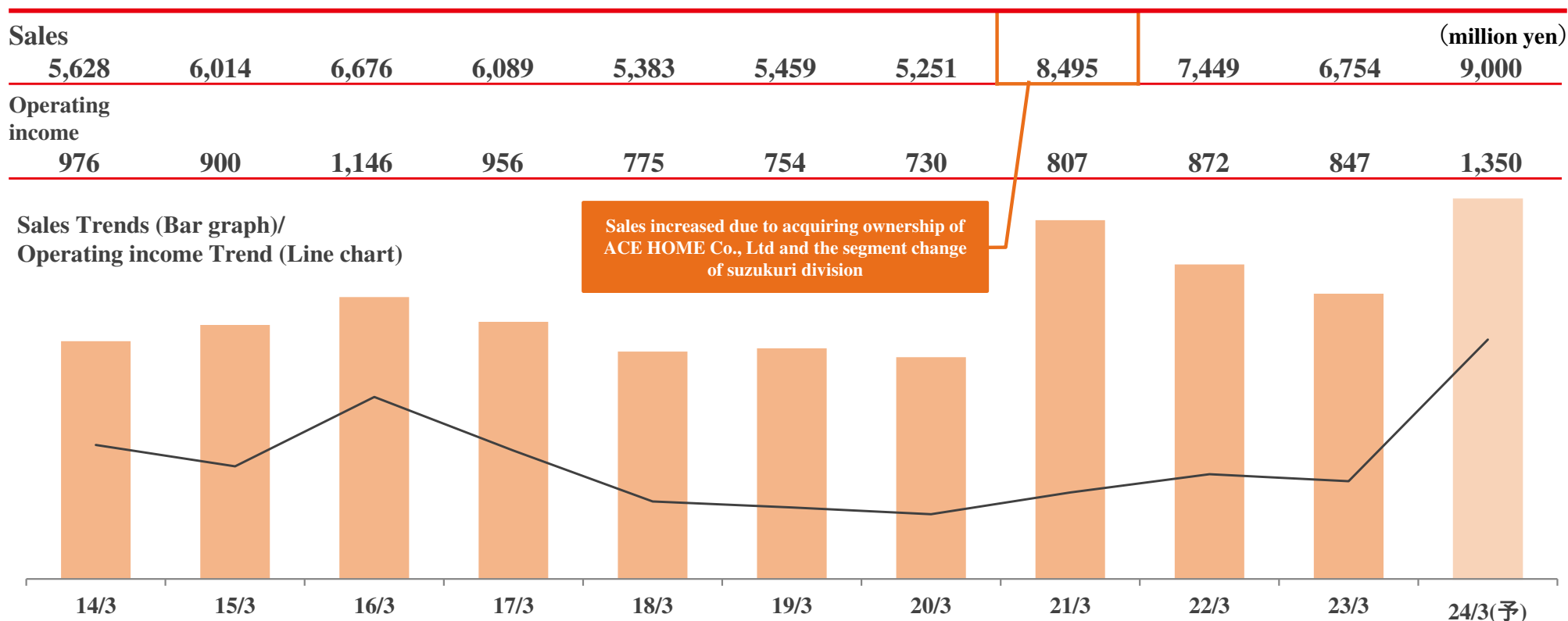


6-6 Business Introduction Construction Consulting Business



Major composition : NAC Co., Ltd Construction Consulting Business, NAC HAUS Partner Co., Ltd

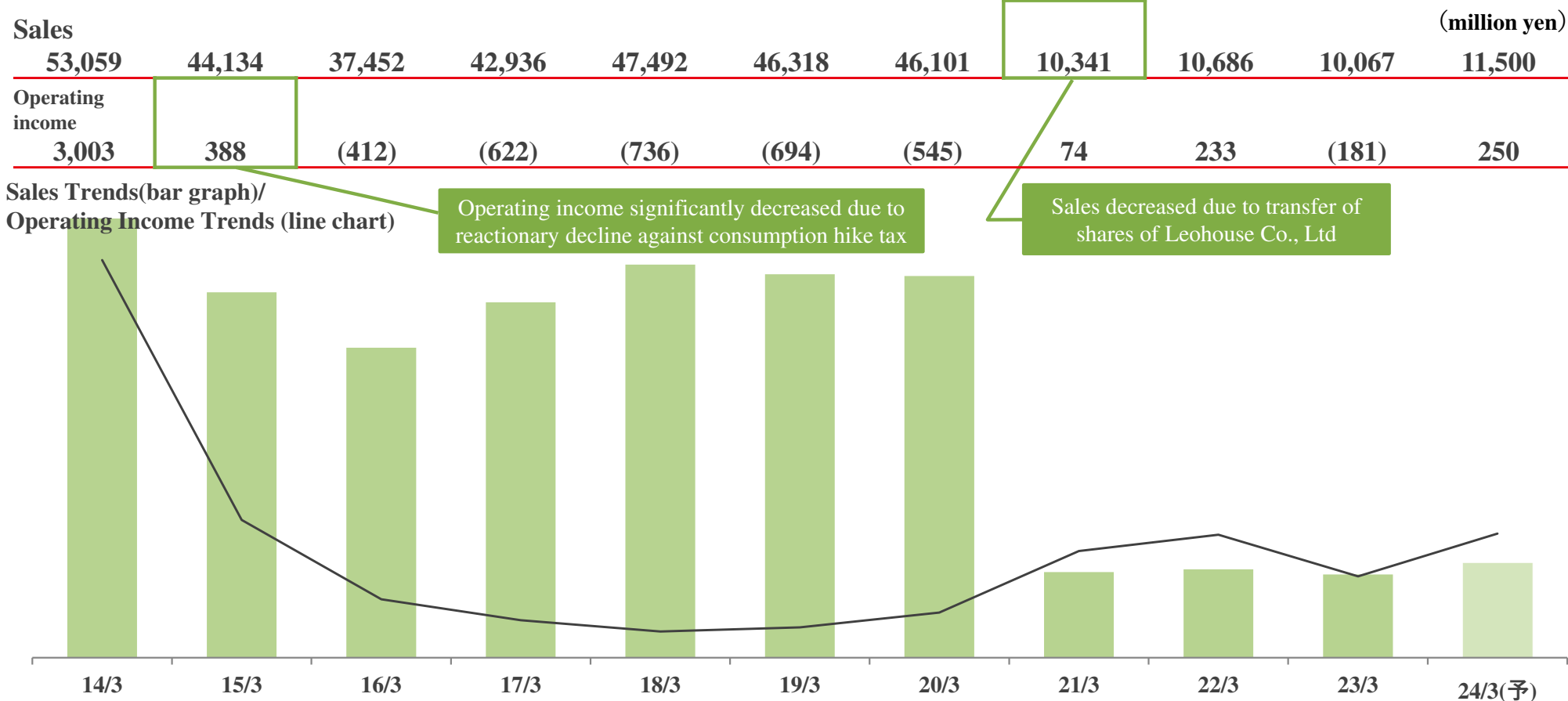
- Sales construction know-how system products and construction materials to local contractor, and housing franchise business
- NAC member contractor **approx. 7,000 companies**
- **September 2015** Acquired ownership of Nac Smart Energy Co., Ltd ※NSE Co., Ltd (sales and installation of energy-savings products)
- **April 2017** Acquired ownership of Suzukuri Co., Ltd (Housing Development Business in partnership with other industries)
(continuing as suzukuri division after segment change from Housing Sales Business in April 2020)
- **February 2020** Acquired ownership of ACE HOME Co., Ltd (Housing Franchise Business)
- **April 2023** ACE HOME Co., Ltd merged with NSE Co., Ltd changed the company to NAC HAUS Partner Co., Ltd



6-7 Business Introduction Housing Sales Business

Major composition : KDI CORPORATION, J-wood Co., Ltd and Nac Life Partners Co., Ltd

- Contractor of custom-built detached houses, sales of ready-built houses, and its related financial and insurance services
- July 2013 Acquire ownership of J-wood Co., Ltd (custom-built houses made of natural materials)
- May 2016 Acquire ownership of KDI CORPORATION (ready-built and order-made houses in Tokyo Metropolitan Area)
- June 2017 Acquire ownership of KUNIMOKU HOUSE Co., Ltd (develop a housing business in Hokkaido)
- April 2021 J-wood Co., Ltd merged with KUNIMOKU HOUSE Co., Ltd (continuing as KUNIMOKU HOUSE business)



6-8 Business Introduction Beauty and Health Business

Major composition : JIMOS Co., Ltd, BELAIR Co., Ltd, TOREMY Co., Ltd, UP SALE Co., Ltd

- Online shopping services of cosmetics, health-food products and beauty care products
- July 2013 Acquired JIMOS Co., Ltd and started beauty and health business
Expand 4 brands such as 「MACCHIA LABEL」 mainly for women in their 20s to 60s
- December 2016 Acquired ownership of BELAIR Co., Ltd (sales of supplement)
- July 2021 Acquired ownership of TOREMY Co., Ltd (contract manufacturer of cosmetics)
- September 2021 Established UP SALE Co., Ltd

